

2019

Sustainability Report



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Introducing Fiskars Group

At Fiskars Group, we want to make the everyday extraordinary.

With the family of lifestyle brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood, our vision is to create a positive, lasting impact on our quality of life. We are present in the garden, at the dinner table and at festivities, everyday activities and rituals. Through our brands, we can transform the familiar into the extraordinary.

The everyday is different for everyone – it's shaped by what we do, where we live, who we love. That's why we bring together different people and ways of thinking, to learn, explore and create, to make daily life better for ourselves and the world around us.

Throughout the years we have held on to the things that unite our brands and make us unique; lasting design, superior craftsmanship, and an intimate understanding of the everyday. We pay attention to the details, as we know it's the small things we do each day that have a big impact on us and our future – and we want our impact to be a positive one.

We have our unparalleled heritage and strong shared values to guide us as we seek sustainable growth in the ever-changing business environment. We are excited about the opportunities we have and believe that when we work together, we can achieve the extraordinary.

Fiskars Group's business is driven through two strategic business units, with a geographical presence in Europe, Asia and the Americas. Our products are available in more than 100 countries and in 2019 we employed approximately 7,000 people in 30 countries. The group recorded net sales of 1,090.4 million euros in 2019. Fiskars Group is listed on Nasdaq Helsinki.

This Sustainability Report is part of the Fiskars Group Annual Report 2019. The Annual Report 2019 consists of the Corporate Governance Statement, the Financial Statements and the Sustainability Report. Sustainability aspects are also covered in the Non-Financial Reporting section in the Report by the Board of Directors, which is included in the Financial Statements.

This report has been prepared in accordance with GRI Standards: Core option. The reporting covers Fiskars Group and all its group companies. We are reporting primarily for the year 2019 in this report. The reporting period covers the calendar year 2019 from January 1, 2019 to December 31, 2019. Any other division of the data reported is noted separately.

An independent third party, PricewaterhouseCoopers Oy, has provided assurance on the sustainability information reported in this report. The scope of the assured information is indicated in the Independent Practitioners' Assurance Report.

Year 2019



Sustainability highlights 2019

VINTAGE

Vintage service allows people to buy and sell previously owned Iittala and Arabia tableware products through our existing channels. All of our own stores in Finland offer the Vintage service and it was also piloted in Iittala's webstore.



GERBER PACKAGING

The Gerber brand has taken substantial steps to meet and exceed consumer expectations by introducing completely redefined packaging utilizing fully recyclable and renewable materials, as well as reducing overall plastics content.



WASTE TO LANDFILL -61%

Manufacturing units and distribution centers at Fiskars Group have been on a path of mapping and measuring their waste and investigating opportunities for improvement to reach our 2030 target to send no waste to landfill. In 2019 we reached 61% overall reduction of our waste to landfill compared to the base year 2017.



100% RECYCLED RAAMI

We piloted the reuse of waste glass with a limited edition of Iittala Raami tumbler in our Iittala glass factory in Finland. The Iittala glass factory is one of the world's first industrial manufacturers to create tumblers solely from waste glass.

NORDEN AXE

Fiskars launched new Norden axes with a design that embodies Fiskars' long heritage of axe craftsmanship, a tradition that dates back to the 17th century. The handles are made of FSC™ certified (FSC C108780) hickory wood and the innovative FiberComp material, which lend them a high-quality appearance and excellent safety in use.



Message from CEO

The year 2019 was challenging for us. Our comparable net sales and comparable EBITA decreased. Some of the contributing factors were external, and some undeniably in our own control. The tariffs on imports from China to the U.S. and the unusually rainy weather in the U.S. had an impact on us. We are making progress in transforming the Living business, however it is taking time to see visible results. We will continue to boost our commercial capabilities and improve the efficiency of our business.

We have a clear ambition to grow. In 2019, we continued to deliver on our strategic priorities. We are growing the core in prioritized markets and categories, expanding our presence in China and in direct e-commerce, and exploring opportunities for services and new business models. We saw the net sales grow in our direct channels, as well as across the markets in the gardening category, demonstrating the strength of our brands. We've seen positive progress in the Living transformation program and are planning to restructure our organization to better position us for future growth.

We've been pleased with the excited responses to our ventures into new circular economy and service models, and are increasingly invested in reducing, reusing and recycling raw materials and products. Our brands have made great progress in finding new innovative ways to delight people who are seeking for experiences that extend beyond products.

At the start of 2019, we embarked on a journey to rediscover and recommit to our shared values. The transformative journey taught us a lot about ourselves. With our employees leading the work, we strengthened our understanding of the many ways we live our everyday and made sure our values positively impact the work that we do. In June, we got together to celebrate our rediscovered values and the one Fiskars Group we are becoming. We believe we can make the everyday extraordinary by creating change, celebrating the everyday, and growing with compassion.

We are committed to making sure that our impact on the world is a positive, lasting one. In 2019, we conducted a sustainability assessment, looking beyond the existing business to build a deeper understanding of the global influences, trends, initiatives and expectations relevant to our business.

It is clear that in our operating environment, an integrated sustainability approach, with sustainability embedded in all our strategic priorities, generates positive long-term growth opportunities. Our long-term sustainability commitments are inspired by the United Nations Sustainable Development Goals (SDGs). We believe that these commitments will help us grow, provide long-term value, and reach our vision.

I look ahead into 2020 with confidence. There is work to be done, and I trust in our ability to improve our performance



and create value for our stakeholders. Our planned new structure will help us leverage the full potential of our strong brands, and we will continue to refine our common ways of working so that together, we can make the everyday extraordinary.

Jaana Tuominen
President & CEO, Fiskars Group

Values

During 2019 we renewed our values. To discover the values that are already within us, we created an approach that involved listening carefully to our people, and not assuming anything without asking first.

We used data collected through our Employee Survey and other channels as a starting point, and complemented it with interviews, an online dialogue, local focus groups, workshops and other interactions with our teams.

The work was led by a group of volunteers, Values Connectors, together with the Fiskars Group Leadership Team, our top 100 leaders, employees across the organization, and a dedicated project team. It took six months, and we now can confidently say that we have discovered the true Fiskars Group Values.

We believe that the small things we do each day have a big impact on us and our future. We are making the everyday extraordinary through our three new values: creating change, celebrating the everyday, and growing with compassion.

Creating change

In a constantly changing world, we have always had the courage to take the lead. We shape our own future.



Our creativity serves a purpose; we are making the everyday extraordinary. We make our own choices to create a positive, lasting impact on our quality of life.

We are not afraid to break the boundaries that hold us back. We strive to be our best selves by boldly blazing our own trails, learning and exploring together.

We're at our most creative when we work together with our colleagues, our customers, and the consumer.

Celebrating the everyday

We're present in the small moments of the everyday.



We appreciate the little things we do, as we know they have a big impact on us and our future.

We are always ready to share a laugh but know that also the silent notes are meaningful.

Regardless if we succeed or fail, we take the time to celebrate the effort that we put into the task, and the lessons we learned together. We see opportunities in every challenge.

We value the connections we share, with our colleagues and with the consumer, and always seek the opportunities to exchange thoughts and thanks.

Growing with compassion

We know that by looking at the world from the perspective of others we can become the best at what we do.



We are ambitious but never ruthless.

We care, and even the small gestures do matter.

We are a diverse group of people, supporting each other and challenging each other, making the everyday extraordinary for people just as unique and extraordinary as we are.

We hold ourselves accountable to the highest standards because we know our actions always have an impact.

Strategy and purpose

Our purpose is to make the everyday extraordinary; this is a promise that unites our brands. Each individual brand celebrates its unique identity, aiming to excite and inspire people. As Fiskars Group, we can be stronger together and benefit from our unified supply chain, common platforms and processes, and consumer insight.

Our vision and values guide us on why and how we do business

Our vision is to have a positive, lasting impact on the quality of life. To make progress towards our vision, we need to focus our efforts on areas where we can have a sustainable influence. For us, sustainability is about innovation and creativity, as well as integrity and accountability. It involves managing risks and taking on opportunities. We need to understand the impact of our actions and work to reduce our negative footprint, while further strengthening the positive impact that we can create for generations to come.

Our strategic priorities

Our strategy is about making choices, prioritizing and setting goals to track our progress. Fiskars Group strategic priorities show the direction where we are heading, the choices that we have made – the ‘what’ that Fiskars Group is all about.

To help us pull together in the same direction and to focus our efforts, we have defined four strategic priorities for Fiskars Group.

Inspiring people

We are a globally diverse team with an inspiring purpose and strong shared values. As a company, our aim is to create an environment where people can and want to do their best, and we believe a key ingredient in achieving this is to invest in continuous learning and development.

As leaders we believe in providing clear and compelling direction, supporting people’s professional development, and creating an environment of trust and transparency.

Exciting consumers

We are endlessly excited and energized by the opportunity to make the everyday extraordinary, and work to share the same excitement with the world around us.

Our portfolio of brands is unparalleled in its long heritage, and we continuously develop our offering to ensure our products, concepts and services are relevant to consumers old and new, not just today, but in the future as well.

Growing business

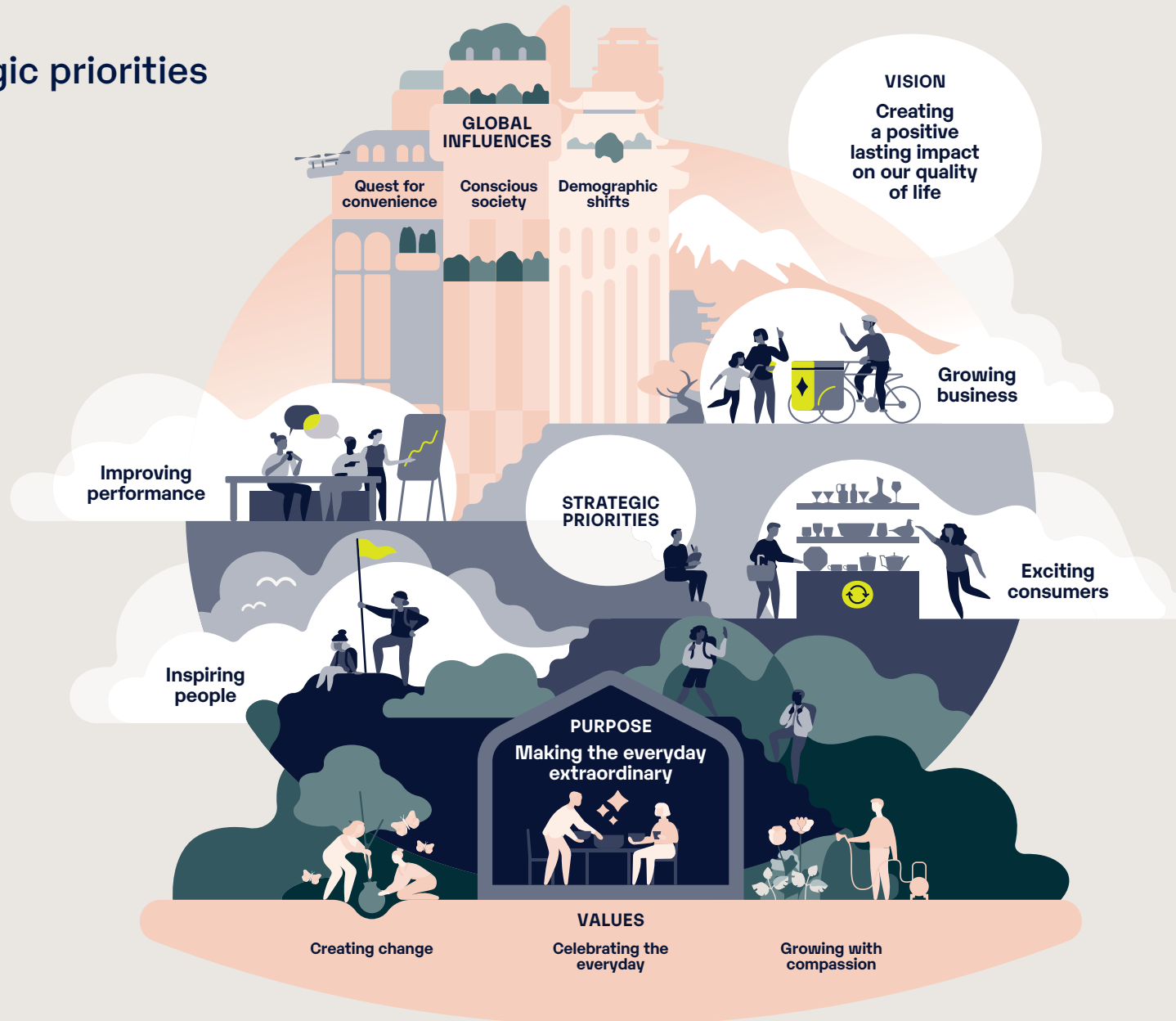
We have an ambition to grow. We approach our growth opportunities from three angles: the categories where we play, the geographies where we are present, and the channels where we meet the consumer.

Our actions focus on three key areas; growing our core, expanding in China and eCommerce, and exploring services. While we prioritize organic growth, we can make select acquisitions if and when there is a good cultural and strategic fit.

Improving performance

We are making good progress in developing our common processes and platforms, and we have our common global functions that drive consistency and make us more efficient. There’s still room for improvement, and we see further opportunities particularly in improving our capital management and boosting our commercial capabilities.

Our strategic priorities



Sustainability commitments

During 2019, we conducted a sustainability assessment. We looked beyond our current business to gain a better understanding of global influences, trends, initiatives and expectations. This included analyzing the opportunities these variables pose for our business - now and in the future.

The key finding was that sustainability has an increasingly high importance in our operating environment and our opportunity is to increase the business relevancy of sustainability with a more integrated approach.

To grasp the opportunity, we embedded sustainability more firmly into our strategic priorities to efficiently drive the change within our business and support strategy implementation.

To follow the progress on our sustainability performance, we have set three long-term sustainability commitments. These commitments are guided by our vision and inspired by the United Nations Sustainable Development Goals (SDGs). We believe that our three commitments will help us grow, provide long-term value and give us the focus to reach our vision of creating a positive, lasting impact on our quality of life.

Our vision integrates sustainability into everything we do and gives us the opportunity to take meaningful action. Together we will continue to explore the opportunities there are in sustainability and push ourselves forward to achieve our vision of creating a positive, lasting impact on our quality of life.



CIRCULAR PRODUCTS AND SERVICES

- Design for sustainability
- Create zero waste
- Explore service models



POSITIVE IMPACT

- Inspire people through leadership
- Champion safety, diversity and inclusion
- Create positive societal impact

CARBON NEUTRAL BUSINESS

- Improve our energy efficiency
- Invest in renewable energy sources
- Reduce emissions from value chain

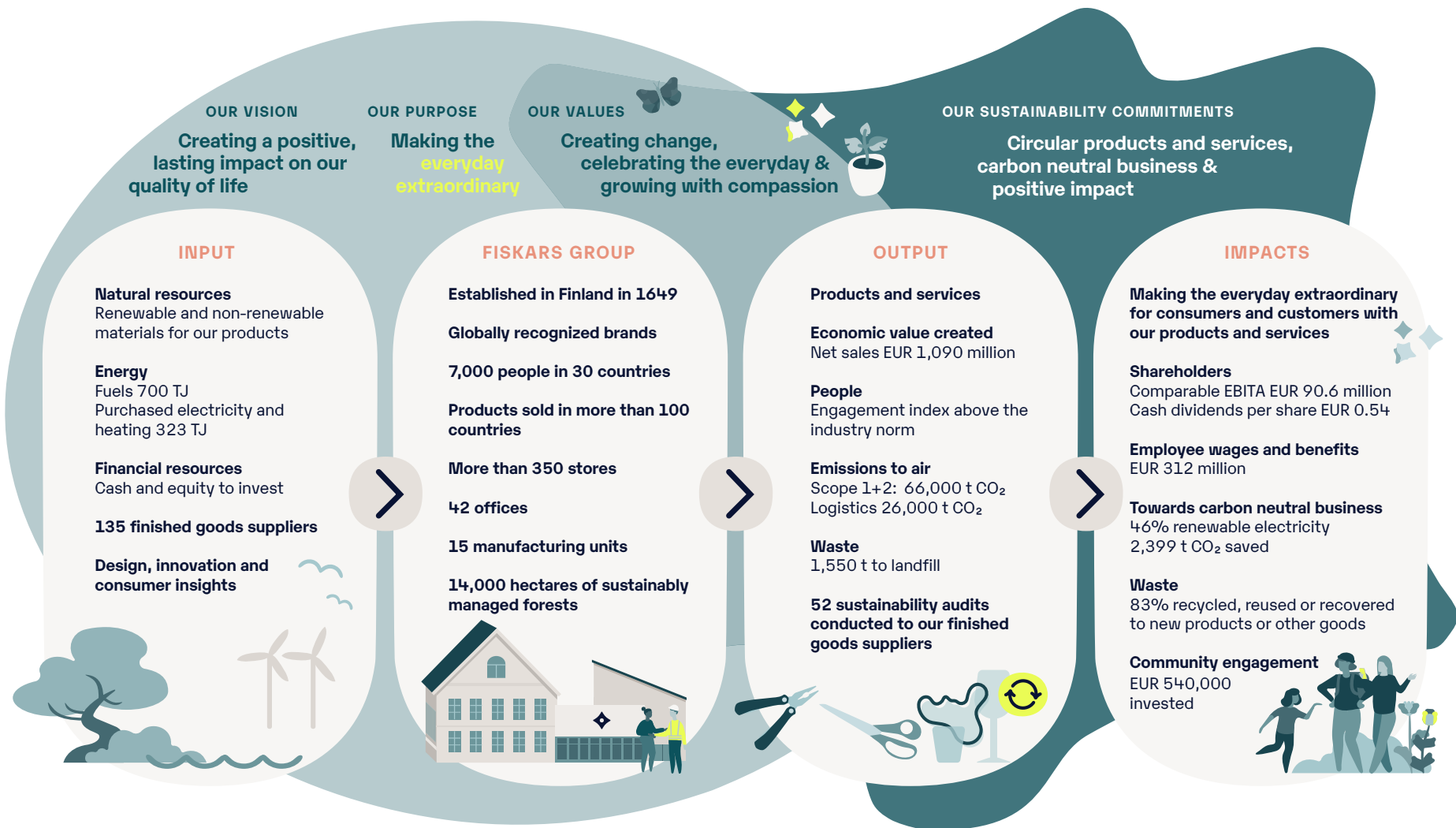


To reach our commitments, we will focus our efforts on the areas we believe will have the biggest impact. For example, to achieve circular products and services, we have a major opportunity to make an impact by integrating sustainability throughout the design process. This includes considering the whole product lifecycle already in the design phase, as well as setting the bar higher when we consider the materials we use and the services we provide to our consumers. We also plan

to explore the end-of-life opportunities related to our products and services, which range from take-back models to opportunities for recycling.

We renewed our short-term and long-term targets to support our new sustainability commitments. The work with the targets continues in 2020, as we are aiming to set updated emissions targets aligned with the Paris Climate Agreement.

Our impacts



Sustainability commitments

To embed sustainability deeper into our strategic priorities, we have set ourselves three long-term sustainability commitments: carbon neutral business, circular products and services, and positive impact. We believe that these commitments will help us achieve sustainable growth and long-term value and give us the focus to reach our vision of creating a positive, lasting impact on our quality of life.



Circular products and services

We aim for circular products and services. We design for sustainability, exploring sustainable materials and eliminating waste to landfill. We embrace innovation to redefine value creation through new business models.

Design for sustainability

Lasting design is our cornerstone when we define sustainability in design. For us, lasting design is about products that are manufactured in a sustainable manner and made to last for generations. We strive to offer products that promote a sustainable lifestyle; products that people enjoy using over and over again. We address global issues such as climate change and resource scarcity in many ways, most prominently with our products that stand the test of time.

Through our passion for well-crafted products, we make the everyday extraordinary by inventing and crafting solutions that transform everyday activities into moments of delight. Our product development is based on continuous improvement, on leveraging new techniques and methods, and on innovative solutions that make people's lives better.

We are curious to learn more about our consumers so that we can inspire them, solve their everyday problems and create meaningful experiences and unforgettable moments. At the core of our brands is design that stands the test of time thanks to its visual appeal, high quality and attention to detail. To be able to build our brands' value in the long term and create sustainable growth, we are keen to explore circular economy thinking and develop new business models, materials and solutions that resonate with changing consumer needs.

Sustainable materials

100% RECYCLED GLASS

As we want to ensure that the materials we use in our products are as sustainable as possible, we are exploring new possibilities. We piloted the reuse of waste glass with a limited edition littala Raami tumbler in our littala glass factory in Finland.

The tumblers were made solely of waste glass produced during the post processing of mouthblown glass, the pouring of molten glass and quality control. Such glass is used as raw material for example for insulation material.

littala's glass factory is one of the world's first industrial manufacturers to create tumblers solely from waste glass. The pilot was successful, and we are looking to expand the use of recycled glass to other products in 2020.

CASE

Gerber packaging

Consumer expectations for sustainability in the outdoor community are especially high, and preferences towards environmentally friendly products and responsible, transparent supply chain practices are becoming key considerations that drive brand interest today.

The Gerber brand has taken substantial steps to meet and exceed consumer expectations over the last 3 years by introducing completely redefined packaging. Aimed at utilizing fully recyclable and renewable materials, as well as reducing overall plastic content (in many cases completely removing plastic) from packaging, the brand has reduced its environmental impact and won increased interest from both the trade and consumers.

"Outdoor consumer preferences are leading indicators of broader market trends in a range of environmental topics, from clean water initiatives to wildlife conservation." said Andrew Gritzbaugh, SVP Outdoor (Gerber). Creating change in this area of our business comes with many challenges, and our teams are committed to continue leading the category in sustainability.



FSC

We have been able to expand our FSC™ certified products to new markets. Our newest product launch using FSC certified (FSC C108780) wood is Fiskars Norden axe, made from hickory wood derived from sustainable sources. All Fiskars gardening category tools containing wood are FSC certified.

Going forward

During 2019, we continued the work on developing a common scorecard for product development across the Group. Its purpose is to help us evaluate a product's sustainability potential in the early phases of product development. The scorecard includes guidance on the use of the most common packaging and product materials, as well as the rating of the preferred materials and materials to be avoided.

We also worked to redefine our targets to better align with our strategic priorities and sustainability commitments. We set the target to have all packaging made from renewable, and preferably from recycled sources by 2030, at the latest. Regarding other materials, we are planning on defining material specific targets aligned with the sustainability scorecard.



Create zero waste

Every year, globally, billions of tonnes of virgin raw-materials are extracted from the earth to create new products. At the end of the product’s lifecycle, most are simply disposed of and end up in landfills where they either decompose—or not.

Finding a new home for a product or recycling it to be used as raw material for new products, provides an alternative to generating waste. Recycling is not a new concept, but there is a lot of untapped potential in this area from a business model perspective. Fiskars Group is constantly looking for new opportunities to increase the use of recycled or renewable materials in our products.

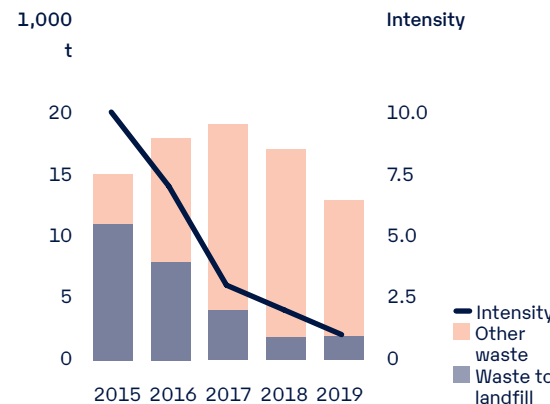
Recycling is one of many ways for the consumer to protect natural resources, and it also helps us to save energy and materials in our supply chain. Using recycled raw materials, such as steel, significantly reduces the total energy consumption compared to using virgin materials. Our target for 2030 is that all waste from our own operations (manufacturing, retail, offices, and DCs) is recovered or recycled, we send no waste to landfill. For 2022 we set target to reduce waste to landfill from manufacturing by 80% compared to the base year 2017.

To reach our targets, our manufacturing units and distribution centers have been on a path of mapping and measuring their waste and investigating opportunities for improvement. Most sites have gained insight into developing new opportunities and many have already made significant changes in their waste management,

resulting in an overall reduction of our waste to landfill by 61% since the base year 2017. The total amount of waste to landfill was 1,550 tonnes in 2019.

The main contributors to this reduction are our Royal Copenhagen factory in Thailand with a wide-reaching glost ware and biscuit recycling process; PT Doulton ceramics factory in Indonesia with a project to recycle their moulds and pitchers, while our Fiskars factory in Poland made improvements by updating their waste process with new management process and recycling bins.

ANNUAL WASTE & WASTE TO LANDFILL



The intensity describes waste to landfill compared to Fiskars Group’s net sales. The figures from 2016 onwards describe Fiskars Group’s current structure. Other waste includes waste that is for example recycled, reused or used for energy recovery.

WASTE

GRI 306-2 Waste by type and disposal method, t

	2019	2018
Non-hazardous		
Reuse	844	5,861
Recycling	8,456	7,985
Composting	9	10
Recovery	651	569
Incineration	58	99
Landfill	1,382	1,677
On-site storage	0	1
Other	389	364
Total	11,791	16,566
Hazardous		
Reuse	1	6
Recycling	39	7
Recovery	107	93
Incineration	62	137
Landfill	168	222
On-site storage	14	19
Deep well injection	0	1
Other	61	96
Total	454	581

The waste disposal method has been determined based on information provided by the waste disposal contractor. On-site storage has been reported to be temporary.

Explore service models

Creating new business models is essential to staying relevant in the changing business landscape. The circular economy provides opportunities to create value and support Fiskars Group in resource wisdom: being more efficient and innovating new materials and technologies to mitigate the use of non-renewable materials.

For a considerable period of time the economy at large has been linear. This means that raw materials are used to make a product, and after its use any waste—such as packaging—is simply thrown away. In an economy based on recycling, reusing and repurposing, materials are not discarded after their initial use, but are instead reused. For example, old glasses are used to make new glass, and waste paper is used to make new paper. New business models facilitate the sharing and renting of products.

A fundamental shift is taking place in the way we as consumers think, behave and consume goods, and companies are now competing to find new responses to this rapidly changing demand. We understand that our natural resources are not infinite, and we also see the opportunities offered by digitalization, for example.

We have set sustainability targets for new service models and by 2022, our target is to have a business model for recycling and reselling our products in place in select markets. Our long-term target for 2030 is to have a global concept and capability to take-back and recycle/reuse/resell our products, covering all our main brands.

HOW DOES OUR VINTAGE SERVICE WORK?



New services in 2019

We have studied the circular economy and explored opportunities that are available to the business. Using a strong consumer understanding as a compass, our Scandinavian Living team defined four pilot programs looking at new business opportunities, all ticking a series of boxes when it comes to consumer expectations. Based on the pilots conducted in 2018, we identified the two most viable and interesting business opportunities that were expanded during 2019.

Vintage

The first new service concept in place is our Vintage service, which allows people to buy and sell previously

owned Iittala and Arabia tableware products through our existing channels. All of our own stores in Finland offer the Vintage service and it was also piloted in Iittala's webstore.

The Vintage service has been very well received by our consumers and we are looking forward to expanding it to new categories and markets, aligned with our 2022 target.

We wanted to better understand environmental savings that people do when buying previously owned tableware instead of purchasing entirely new products. In 2019 we conducted an assessment with Helsinki Metropolitan Area

DID YOU KNOW?

All worn-out or broken tableware collected through the service is recycled – also from other brands!

- ♦ Ceramics are ground into powder and reused in brick production
- ♦ Glass waste is utilized as building insulation material

CASE

Vintage

“The Vintage service has been extremely popular. The selection of Vintage items in each store changes every day, and we’ve seen gems from decades past and recent years alike. Our customers find missing parts for their collections or complement their table setting with items like sugar bowls or sauce boats. Timeless, thoughtful design lasts for years, and can be passed from one generation to the next,” says Lotta Eskolin, Service Manager for Vintage.

From 2019 onwards, the Vintage service also enabled customers to recycle broken or worn out glassware and ceramic tableware from other brands. The items brought in for recycling will be reused as raw materials for the construction industry. Ceramics are crushed into a fine powder to provide raw material for bricks, while waste glass will be used to manufacture insulation material. The Vintage service will not, however, buy or sell tableware from other manufacturers.

“Until now, ceramics and glassware have commonly been disposed of with non-recyclable, general waste. The Vintage service will enable broken tableware to be recycled in more than 20 municipalities around Finland. Sustainable development and the circular economy are very important to us, which is why we wanted to extend the recycling service to other manufacturers’ goods too. We should not waste a single item that could instead be reused as raw material,” adds Lotta.



Reuse Centre Ltd to calculate how much natural resources and CO₂ emissions were saved during the year. Results showed that all Vintage products sold during 2019 saved over 133 tonnes of solid natural resources and over 45 t CO₂ emissions.

Subscription service

Our second service model launched in 2019 was Arabia’s new, subscription-based tableware service that allows consumers to enjoy their favorite tableware for an affordable monthly fee. At the end of the subscription period, the tableware can be returned, purchased, or exchanged for another series. The service includes Arabia’s most popular tableware series, and the size of the tableware set is customizable. With people increasingly interested in borrowing, sharing and renting rather than owning, the circular economy is giving rise to a wealth of new business opportunities.

The tableware is ordered online, and home delivered for extra convenience. The initial subscription is for one year, after which the customer can switch to another series, return the tableware to the store, or purchase it at a reduced price. If the customer needs more tableware during the year, the size of the set can be scaled up online. Tableware that customers return to the store is sold via the Vintage service.

“Values and consumer habits are changing, and the need for services is growing. That is why we are bold in testing new solutions. Other similar pilots are already being planned for the future. Testing out new sustainable services and business models is part of our strategy. It offers excellent possibilities to inspire consumers in a positive and sustainable manner,” states Tomas Granlund, Fiskars Group Vice President for Service Development.

Carbon neutral business

We strive to find solutions to minimize our emissions by being more efficient and investing in renewable energy. We assess our impact throughout the value chain and work with our partners to reduce the impact.

Energy management

Our planet's climate is now changing faster than at any point in the history of modern civilization. The impact of global climate change is already being felt economically, environmentally, and socially, and is expected to grow in the coming decades. Climate change affects all regions and businesses around the globe. We want to be part of the solution and meet our stakeholders' expectations. In 2019, we set ourselves a long-term commitment to be a carbon neutral business.

International standards and guidelines, such as ISO 14001, create an important foundation for Fiskars Group's climate management. Environmental Policy for the supply chain emphasizes our common targets and ways of working in own manufacturing units. Our Supplier Code of Conduct outlines expectations regarding our suppliers' energy and emissions management, and every supplier must sign and commit to it to be able to do business with Fiskars Group.

We conducted the first comprehensive climate change risk mapping in 2016, which we have further developed since. In 2019, the climate change risks were better integrated to the Group risk management as a part of overall process development.

Our performance against the short- and long-term targets will guide the way in evaluating the effectiveness of our environmental management approach.

In 2019, we set ourselves a long-term commitment to be a carbon neutral business



We are actively following industry best practices, conducting internal and external audits based on the management system ISO 14001 and learning from external performance ratings.

Climate change and the environment have an internal impact on our operations and an external impact on our suppliers' operations and on surrounding communities and nature. Figures reported include our own production and distribution centers; offices and retail are excluded. In addition to our own operations, we are reporting on emissions from logistics and business travel.

Energy efficiency

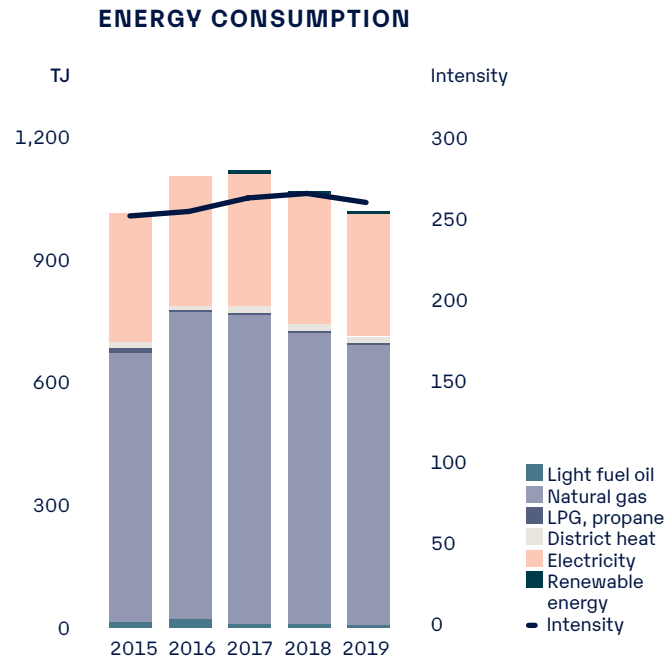
We have been able to reduce our energy consumption by 9% from the 2017 baseline. Our current target is to reduce our energy consumption from manufacturing by 30% by 2027, compared to the 2017 base year.

During 2019 we saved 8,864 MWh through different energy saving activities we started mapping in 2018. Energy savings consist of multiple actions in our manufacturing units and distribution centers. For example our Gerber factory in Portland, Oregon, U.S, saved natural gas by resetting all factory thermostats and reduced the temperature of facility by two degrees. Our Waterford factory in Ireland replaced their main compressor and our Fiskars factory in Excelsior Springs, Missouri, U.S, replaced their air compressor fitting and exhaust air handlers to save electricity and improve efficiency.

In 2018, we invested in renewable electricity in Finland, Slovenia and Ireland. We are looking for opportunities to expand this to other locations. We are also exploring the opportunities around renewable fuels. In our distribution

center in Wall, New Jersey, U.S, we already have solar panels installed. During 2019, we agreed to a solar panel investment at our Royal Copenhagen factory in Thailand which will be operating from the beginning of 2020.

Currently 46% of electricity used in Fiskars Group's manufacturing units and distribution centers is from renewable sources.



The intensity describes energy consumption compared to Fiskars Group's net sales. The figures from 2016 onwards describe Fiskars Group's current structure. The figures from 2016 onwards describe Fiskars Group's current structure. 2017 onwards energy consumption includes Fiskars Group's distribution centers (DCs). Renewable energy includes the solar panels in our distribution center in Wall, New Jersey, U.S.

ENERGY CONSUMPTION

GRI 302-1 Energy consumption within the organization, TJ

	2019	2018
Direct energy consumption: non-renewable	695	726
Natural gas	689	717
Propane	3	6
Light Fuel Oil	2	4
Direct energy consumption: renewable	5	6
Renewable fuel	5	6
Indirect energy consumption	323	336
Electricity	308	320
District Heat	15	16
Total energy consumption	1,023	1,069

Consumption is calculated based on invoicing and meters. Standard conversion factors are used (SI). Sold energy is not relevant for Fiskars Group and possible cooling consumed and sold is included in the electricity. Renewable fuel includes electricity produced with solar panels in our distribution center in Wall, New Jersey, U.S.

ENERGY INTENSITY

GRI 302-3 Energy intensity, MWh/Net sales (EUR Million)

	2019	2018
	261	265

Energy intensity is calculated by dividing the total energy consumption of our own production (direct + indirect) in MWh by Group net sales

ENERGY SAVING ACTIVITIES

GRI 302-4 Reduction of energy consumption, MWh

	2019	2018
	8,864	2,666

Energy savings are calculated based on activities conducted during 2019 in our manufacturing units and distribution centers. Also cumulative savings from 2018 activities are included.

WATER

GRI 303-1 Water withdrawal by source, 1,000 m³

	2019	2018
Surface water	226	429
Ground water	73	43
Municipal water	174	209
Total	474	681

Water is reported based on invoicing and meters; surface water is based on meters

Reducing our emissions

To cut down our GHG emissions and impact we will further explore circular economy strategies and investing in renewable energy. We are also committed to measuring our impact throughout the value chain, and to work with our partners and suppliers to minimize our CO₂ emissions.

We are currently using our existing energy and emission targets for 2027. We are committed to set new emission targets, aligned with the Paris Climate Agreement in 2020.

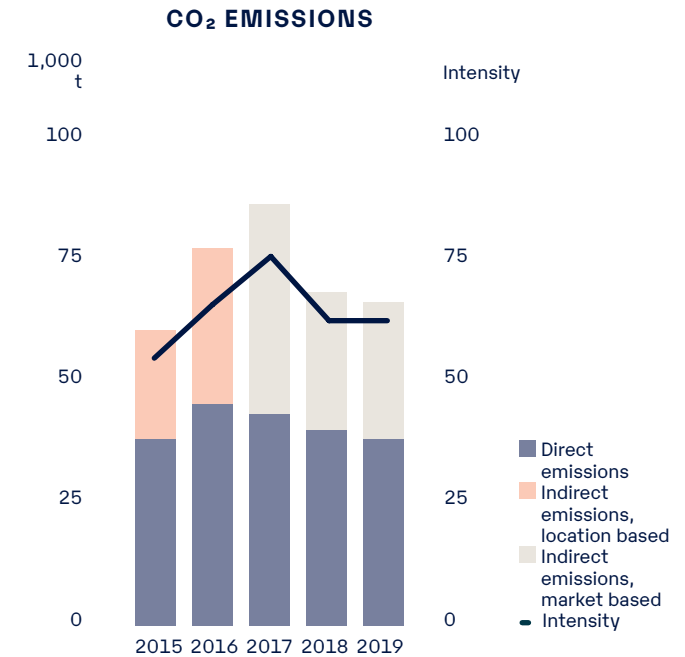
Our current target for 2027 is to reduce our CO₂ emissions by 50% within our own production. In 2019, Group-wide CO₂ emissions decreased by 2% compared to the previous year. Compared to the 2017 base year, we have reached the reduction of 24% as a result from the energy saving activities and investments in renewable electricity in Finland, Slovenia, and Ireland.

During 2019 we saved 2399 t CO₂ through energy and emissions saving activities in our manufacturing units and

distribution centers. For example, our Iittala glass factory in Finland conducted furnace burned adjustment saving 2000 MWh of natural gas and 396 t CO₂.

Our current target for 2027 is to reduce emissions from the value chain (scope 3) by 30%. During 2019, we continued developing the reporting of our scope 3 emissions by gathering the energy and emissions data from our biggest strategic finished goods suppliers, covering over 60% of the sourcing spend. We are continuing this work and our aim is to be able to report all relevant scope 3 categories in the future.

In upstream and downstream transportation the calculation method was developed in 2019. Data is combined by collecting CO₂ emissions data from logistic partners.



The intensity describes CO₂ emissions compared to Fiskars' net sales. The figures from 2016 onwards describe Fiskars' current structure. Market based emissions were calculated for the first time in 2017, to form a baseline for our long-term target for emission reduction.

EMISSIONS

GRI 305-1 Direct (Scope 1) GHG emissions, 1,000 t CO₂

	2019	2018
Scope 1 emissions	38	40

All the emissions are reported in 1,000 t CO₂. 305-1 - 305-4 GHG emissions reporting covers only CO₂. Fiskars does not have any biogenic CO₂ emissions in its operations.

CO₂ emissions are calculated by multiplying the quantity of MWh produced with certain fuels used in our manufacturing units by the CO₂ conversion rate. Emission rates are based on fuel statistics provided by Statistics Finland. GWP rates are not relevant since Fiskars is only reporting CO₂ emissions.

GRI 305-2 Energy indirect (Scope 2) GHG emissions, 1,000 t CO₂

	2019	2018
Scope 2 emissions		
Market based	28	28
Location based	34	34

CO₂ emissions are calculated by multiplying the quantity of MWh produced with electricity by the CO₂ conversion rate. Scope 2 CO₂ emissions will primarily be calculated from supplier-specific, local grid emission factors that are collected from all manufacturing units and distribution centers. Location-based emission rates are based on country specific emission factors published by the International Energy Agency (IEA). GWP rates are not relevant since Fiskars is only reporting CO₂ emissions.

GRI 305-3 Other indirect (Scope 3) GHG Emissions, 1,000 t CO₂

	2019	2018
Scope 3 emissions		
Business travel	5	5
Upstream and downstream transportation	26	26

Business travel includes the emissions from business flights, covering all of our main locations. In upstream and downstream transportation we changed the calculation method in 2019. Data is calculated by collecting CO₂ emissions data from our logistic partners. We were able to receive 87% of the emissions from our partners and 13% is extrapolated to cover CO₂ emissions for the whole year 2019.

GRI 305-4 GHG emissions intensity, t CO₂/ Net sales (EUR Million)

	2019	2018
Intensity	61	61

Total amount of CO₂ emissions including scope 1 and scope 2; market-based emissions is divided by net sales, EUR million

GRI 305-5 Reduction of GHG emissions, t CO₂

	2019	2018
Intensity	2,399	760

Reduction of CO₂ emissions is calculated from energy saving activities utilizing the locations based emission factors or emission factors from fuel statistics provided by Statistics Finland. Reporting only covers CO₂ emissions.

GRI 306-3 Significant spills

	2019	2018
Spills	0	0

Positive impact

We aim to positively impact the quality of life of people and communities involved in our value chain. We inspire people to live sustainably.

Inspire people through leadership

We know that to feel inspired, you need to have the basics in place first. You need to be able to feel good and confident about your role and the work you do, as well as find meaning in the interactions you have with others. We offer learning and development opportunities to our employees and trust them to be the experts in shaping their own paths forward within the organization. Through regular touchpoints during the year, we carry on a dialogue about how inspired and enabled we are to do our best work.

We believe in values-based leadership, where our own personal beliefs are in alignment with the values we share together as one Fiskars Group team.

We work to make Fiskars Group an extraordinary place to work, and we also want to be a positive contributor in the communities in which we work. We care deeply about the health and safety of our own employees, and we need to ensure that the impact on our value chain is a positive and lasting one.

Through our brands, we are working to provide opportunities for different people to express their creativity and to participate in shaping our shared world.

Values-based leadership

Leadership creates the foundation for Fiskars Group culture. In today's world, organizations change and evolve all the time. To help people thrive in an ever-changing environment, we must develop our leadership skills as a company so that our leaders can meet business needs as well as support, inspire, attract and retain talented employees.

Leadership is more than having a managerial role; self-awareness is important and values-based behaviors set the foundation for our behaviors and actions. Leadership is about inspiring people, providing direction and delivering results together.

Our personal values have a powerful impact on our everyday work. They define how we interact with each other, what motivates us, and how we pay attention and prioritize different topics. We believe that Fiskars Group's values and purpose will only be effective when our people can relate to them as their own.

Leaders who know what they stand for, and how they interact with others, can support and inspire their teams and attract and retain talented employees. Leadership is

not about imitating others; instead it must be firmly rooted in who we are and what matters most to us as individuals. Fiskars Group promotes this values-based leadership by providing opportunities for our leaders to develop their self-awareness and learn more about their own personal vision, purpose, values, and strengths and weaknesses through curated training sessions.

Fiskars Group's leadership development portfolio consists of different programs that support our leaders on their growth journey. The Leadership Core program is built on a simple belief: if you are going to lead others, you first need to lead yourself. It gives a unique opportunity to understand yourself better – how to influence better, increase focus and achieve clarity around your own purpose.

The Leadership Core program has supported Fiskars Group in building leaders, creating a network of people in the company with an insight into their own core values. During 2019, a total of 117 people participated in the program. We plan to accelerate program participation, enabling our people to get a chance to connect themselves to the business in a sustainable and values-based manner. To support the participation, we piloted an online version of the training in 2019. The feedback was positive, and we are expanding the online trainings in 2020. Overall, 371 of our leaders have already joined the program.

Health and safety

Ensuring the safety and wellbeing of our employees and the people involved in our value chain is a key priority for us. We place a high emphasis on ensuring that everyone at Fiskars Group is effectively trained to carry out their duties in a safe manner.

We actively promote a culture of zero harm and believe that safety is our shared responsibility. Health and safety is an integral part of our management system. We encourage safety leadership at every level of the organization. We also encourage people to be proactive and take their responsibility seriously, in order to prevent accidents and work-related illnesses.

We recognize that it is our responsibility to ensure that safety is never compromised by our actions. Our key principle is "Safety First". Fiskars Group maintains an organizational structure for the management of health and safety, including lines of communication, networking channels, cooperation, collaboration and the clear identification of roles and responsibilities for all employees.

We undertake regular safety inspections and audits and report our health and safety performance each month in order to indicate the effectiveness of our management system. We also actively identify and implement examples of best practices, ascertained through the auditing process or through feedback from our internal network of experts.

We expect leadership teams to conduct regular reviews on health and safety performance, to ensure that adequate resources are available to effectively manage health and safety, and to drive our health and safety culture and process of continual improvement.

Our Supplier Code of Conduct outlines our expectations regarding our suppliers' health and safety standards, and every supplier must sign and commit to it to be able to do business with Fiskars Group. We arrange annual workshops for our suppliers to enhance awareness of, and best practices in, occupational health and safety.

Performance in 2019

Fiskars Group's renewed safety target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), taking into account not just our own employees, but our contractors and key suppliers as well. By 2022 our target is to reduce LTAF by 20% compared to 2017 base year.

In 2019, we were able to lower the LTAF to 4.7 (2018: 5.9) and Lost Day Rate (LDR) to 27.1 (36.9). Many of the manufacturing units and distribution centers created safety improvement plans and focused on safety observations, which was visible in our safety performance compared to the 2018 performance. Compared to the 2017 base year our LTAF was 4% higher.

One great example of improvements was at the Billnäs factory in Finland. The team was able to improve the safety

performance through more visible safety leadership and practices. They developed a safety board where they share opportunities and meet monthly with the supervisors and health and safety organization. They also created a safety stream map for the manufacturing of each product category. The safety stream map includes KPIs, common safety actions and areas of improvement to create awareness and commitment among the employees.

We arrange safety days with specific themes to raise awareness of safety at work and share best practices among our locations. In 2019, our second global safety day was celebrated with the theme – 'I care'. The participation was outstanding across our locations and our internal channels were populated with pictures and posts about the activities held in the company.

This also boosted the safety observation reporting and in total there were 6,470 (2018: 3,080) observations reported during 2019. This is an important way for us to promote safety at work and all these observations are recorded and actions are taken to mitigate the hazards.

During 2019, we continued to develop the safety reporting by expanding it to our offices and retail stores. This is a big step forward towards aligned health and safety reporting and culture across Fiskars Group. Currently, our safety figures cover manufacturing units and DCs. For 2020 we plan to report the figures covering all of our operations.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Own employees

Types of Injury	2019	2018
Amputation	1%	0%
Cuts, grazes & bruises	62%	58%
Fractures	4%	2%
Strains, sprains, pulled muscle	16%	26%
Back injury	2%	2%
Eye injury	2%	2%
Head injury	1%	1%
Burns	5%	3%
Skin rashes, soreness or inflammation	1%	0%
Cumulative strain injury	2%	0%
Mental harm	0%	0%
Asphyxia	0%	0%
Other	6%	6%
Total	100%	100%

Injury rate	2019	2018
By region		
Europe	3.2	4.8
Americas	15.6	16.5
Asia Pacific	1.3	1.8
By Strategic Business Unit		
Living	2.4	3.1
Functional	8.2	10
Total	4.17	5.4

Includes lost time, restricted work, medical treatment and first aid accidents.

Occupational disease rate (ODR)	2019	2018
By region		
Europe	0.0	0.0
Americas	0.0	0.0
Asia Pacific	0.0	0.0
By Strategic Business Unit		
Living	0.0	0.0
Functional	0.0	0.0
Total	0.0	0.0

No occupational diseases diagnosed during 2019.

Lost day rate (LDR)	2019	2018
By region		
Europe	54.6	62.3
Americas	16.2	56.3
Asia Pacific	1.3	1.3
By Strategic Business Unit		
Living	24.3	11.5
Functional	33.0	88.2
Total	27.1	36.9

Lost time accident frequency (LTAF)	2019	2018
By region		
Europe	9.4	10.9
Americas	2.6	5.3
Asia Pacific	0.6	0.8
By Strategic Business Unit		
Living	4.1	2.9
Functional	5.9	11.9
Total	4.7	5.9

Lost time accident frequency (LTAF) reflects the number of injuries resulting in an absence of at least one workday per million hours worked. Reporting by gender is not significant for Fiskars.

Absentee rate (AR)	2019	2018
By region		
Europe	7.3	7.1
Americas	3.5	1.4
Asia Pacific	1.7	2.2
By Strategic Business Unit		
Living	4.2	4.2
Functional	5.0	4.5
Total	4.5	4.3

Absentee days lost are expressed as the percentage of total days scheduled to be worked by the workforce. An employee is considered absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded. Refers to a measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Fatalities	2019	2018
Total	0	0

Safety observations and near misses	2019	2018
Safety observations	6,470	3,080
Near misses	226.0	300.0

Safety observations are unsafe behaviors and violations of safety rules observed within the workplace. A Near miss is an unplanned accident that did not result in injury, illness, or damage, but had a potential to do so.

NON-FISKARS EMPLOYEES (Contractors)

Types of Injury	2019	2018
Amputation	17%	0%
Cuts, grazes & bruises	33%	50%
Fractures	17%	0%
Strains, sprains, pulled muscle	17%	0%
Back injury	17%	0%
Eye injury	0%	0%
Head injury	0%	0%
Burns	0%	0%
Skin rashes, soreness or inflammation	0%	0%
Cumulative strain injury	0%	0%
Mental harm	0%	0%
Asphyxia	0%	0%
Other	0%	50%
Total	100%	100%

Injury rate (Contractors)	2019	2018
By region		
Europe	3.7	0
Americas	0	0

Injury rate (Contractors)	2019	2018
Asia Pacific	0	2.4
By Strategic Business Unit		
Living	3.2	1.7
Functional	1.9	0
Total	2.4	0.8

Includes lost time, restricted work, medical treatment and first aid accidents.

Fatalities (Contractors)	2019	2018
Total	0	0

Diversity and inclusion

We are a diverse group of people, spread across 30 countries, and we speak 20 different languages. For Fiskars Group, the concept of diversity builds on enablement and respect. We never consider diversity in terms of simple tolerance; instead we embrace and celebrate the extraordinary layers of diversity contained within each individual.

Diversity plays a key role in our vision of creating a positive, lasting impact and empowering a globally collaborative culture in three crucial ways. Firstly, diverse teams provide us with a richer vision and access to a broader range of opinions and viewpoints, all of which enhance our creativity and capability to innovate. Secondly, we have an increasingly diverse consumer and customer base; with a diverse team we are better enabled

to drive consumer engagement. And thirdly, we are able to strengthen our capabilities overall by attracting and retaining high performers to our diverse teams.

Fiskars Group has a set of policies and guidelines related to social and employee related matters to guide our leadership, employees and partners in their everyday work on diversity and inclusion. The Fiskars Group Code of Conduct provides a detailed description of Fiskars Group's approach to doing business in an ethical and sustainable manner.

An important source of information on diversity is our annual employee survey. Feedback and insights from the survey help us to develop our concept of diversity further. The key indicators are employee enablement and engagement. Enablement refers to the factors which contribute to the experience that right people are in the right roles, supportive environment and motivation toward

the organization's success. Engagement refers to the level of employees' enthusiasm and commitment to their work.

On a Group level, we have much to celebrate as our scores are close to the high-performing norm in terms of engagement. On the other hand, the results also indicate hidden gaps in engagement and enablement between genders, with our male employees more likely to be more engaged and enabled.

Based on this observation, we renewed our target for 2022: people are equally enabled and engaged with performance improving annually (employee survey). Our target for 2030 is to have people working at Fiskars Group enabled and engaged at a high-performing level based on employee survey results.

During 2019, we launched our new values, developed our strategy and continued to simplify our structures and processes to better guide us going forward. The progress was visible in our employee survey results: the overall enablement of our employees increased by four percentage points, with 73% favorable (2018: 69%) and the overall engagement score increased by two percentage points with 74% favorable (72%).



FISKARS GROUP TOPIC: ENABLEMENT AND ENGAGEMENT IN EMPLOYEE SURVEY BY GENDER 2019

	Female, %	Male, %
Enablement	70.0 (67.0)	76.0 (75.0)
Engagement	72.0 (70.0)	76.0 (76.0)

Enablement refers to the factors which contribute to the experience that right people are in the right roles, supportive environment and motivation toward the organization's success. Engagement refers to the level of employees' enthusiasm and commitment to their work. Comparison year 2018 reported in brackets.

We achieved great progress towards our 2022 target to have people equally enabled and engaged with performance improving annually. We narrowed the gap between the genders while also improved our overall engagement and enablement figures. The difference between females and males in enablement was six percentage points (2018: eight percentage points) and in engagement the gap decreased to four percentage points (six percentage points).

This was a great achievement for 2019 and we look forward to further improving our overall enablement and engagement and closing the rest of the gap between female and male enablement and engagement.

We know that there are actions we still need to take and develop to ensure that we are truly an inclusive, equal opportunity company where everyone, regardless of

gender, age, ethnicity or beliefs, can feel safe and perform at their best. We are actively working to eliminate barriers and creating a culture that is truly inclusive and fair.

We have zero tolerance towards harassment and exclusion, and we are aware of cultural sensitivity that comes with working in a global organization.

GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Board of Directors	Female, %	Male, %	Total, %
Age group			
Under 30	0 (0)	0 (0)	0 (0)
30-50	25.0 (20.0)	12.5 (10.0)	37.5 (30.0)
Over 50	12.5 (20.0)	50.0 (50.0)	62.5 (70.0)
Total	37.5 (40.0)	62.5 (60.0)	100.0 (100.0)

Fiskars Group Leadership Team	Female, %	Male, %	Total, %
Age group			
Under 30	0 (0)	0 (0)	0 (0)
30-50	22.2 (25.0)	22.2 (38.0)	44.4 (63.0)
Over 50	22.2 (37.0)	33.3 (0)	55.6 (37.0)
Total	44.4 (62.0)	55.6 (38.0)	100.0 (100.0)

Managers	Female, %	Male, %	Total, %
Age group			
Under 30	1.3	0.6	1.9 (2.7)
30-50	28.8	39.2	68.0 (64.0)
Over 50	12.9	17.2	30.1 (33.3)
Total	43.0 (45.0)	57.0 (55.0)	100.0 (100.0)

All employees by employee category and gender	Office, %	Operative, %	Retail, %	Total, %
Female	17.2	21.3	16.4	54.9 (54.0)
Male	15.7	27.8	1.6	45.1 (46.0)
Total	32.9 (31.0)	49.1 (51.0)	18.0 (18.0)	100.0 (100.0)

All employees by employee category and age	Office, %	Operative, %	Retail, %	Total, %
Under 30	2.7	9.1	4.7	16.5 (17.0)
30-50	21.6	29.5	8.1	59.2 (56.0)
Over 50	8.5	10.5	5.3	24.3 (27.0)
Total	32.9 (31.0)	49.1 (51.0)	18.0 (18.0)	100.0 (100.0)

Creating positive societal impact

Fiskars Group is part of the communities where it operates in and our aim is to ensure that these communities thrive economically, socially and environmentally. We support this by actively contributing to these communities' positive development and minimizing any negative impacts our operations may have.

We are committed to offering a safe and engaging working environment for all employees and people working in our value chain. We have implemented management systems and processes at our sites and work in collaboration with the suppliers to create wellbeing. In 2019, we implemented countless small local improvements that contribute to overall wellbeing, starting from risk reduction measures within the workplace to sponsored sports clubs and employee celebrations.

Fiskars Village

Fiskars Village in Finland is the place where our company was born. We give particular priority to safeguarding and developing the cultural heritage associated with the village.

Founded in 1649, Fiskars Village has become an internationally renowned center of Finnish design and art, offering visitors things to see and do all year round. Today, over 100 artisans call Fiskars Village home and it has become one of Finland's top creative hubs and tourist attractions.

Fiskars Village was nominated as one of the Global Top 100 Sustainable Destinations in 2019 by Green Destinations. Sustainability, local community and stakeholder dialogue have been an important part of Fiskars Village's operating principles. Those principles were gathered into the Principles for Sustainable Development in Fiskars Village, which were published in 2019.

SOS Children's Villages Finland

SOS Children's Villages in Finland helps families by providing early intervention, open care and foster care, with an ambition to support young people as they overcome challenges and become independent young adults. Through the partnership, Fiskars Group supports young people moving from SOS Children's Village to their first homes.

Pink ribbon

The Cancer Society runs the Pink Ribbon Campaign in October every year to promote awareness of cancer, collect money for cancer research and influence decision-makers to take a stand in key issues. Arabia and Rörstrand are supporting the important work of the Cancer Society with a selection of mugs.

The donations are collected for cancer research, where more funds are continuously needed. From each mug bought, a certain amount goes to the Pink Ribbon campaign. In 2019 we donated 160,000 € to Finnish and Swedish Cancer Society.

littala and WWF

Every year, littala picks a colour from our treasured glass colour library. The Glass colour of the year for 2019 was sea blue. Inspired by the north, where the sea is an ever-changing portrait of the four seasons.

With the colour of the year, littala partnered with WWF Finland. For every sea blue product bought in Finland during 2019, the company contributed 2.5% of sales towards helping WWF's initiative to protect the Arctic. In total 22,400 € was donated to WWF in 2019.



Human rights

Fiskars Group has an important opportunity to influence people's lives throughout our value chain. We respect human rights in everything we do and recognize the equality of the people with whom we interact.

As a participant in the United Nations Global Compact (UNGC), Fiskars Group is committed to mitigating adverse human rights impacts and to working against corruption and bribery.

Our approach to human rights is defined in Fiskars Group's policies, which also serve as the foundation for the implementation of targets related to human rights. The Fiskars Group Code of Conduct and related training provide a detailed description of our approach to doing business in an ethical way and respecting human rights, including working conditions, labor rights, anti-corruption and bribery, and safety at work. Our people receive regular training on the Code of Conduct to increase their awareness and ability to implement our principles in their everyday work.

We expect the same values and high ethical standards from our suppliers and partners. The Fiskars Group Supplier Code of Conduct outlines the standards all our suppliers and partners must meet in order to do business with Fiskars Group.

Supplier sustainability audits help us to assess and control human rights topics in our supply chain. Human rights

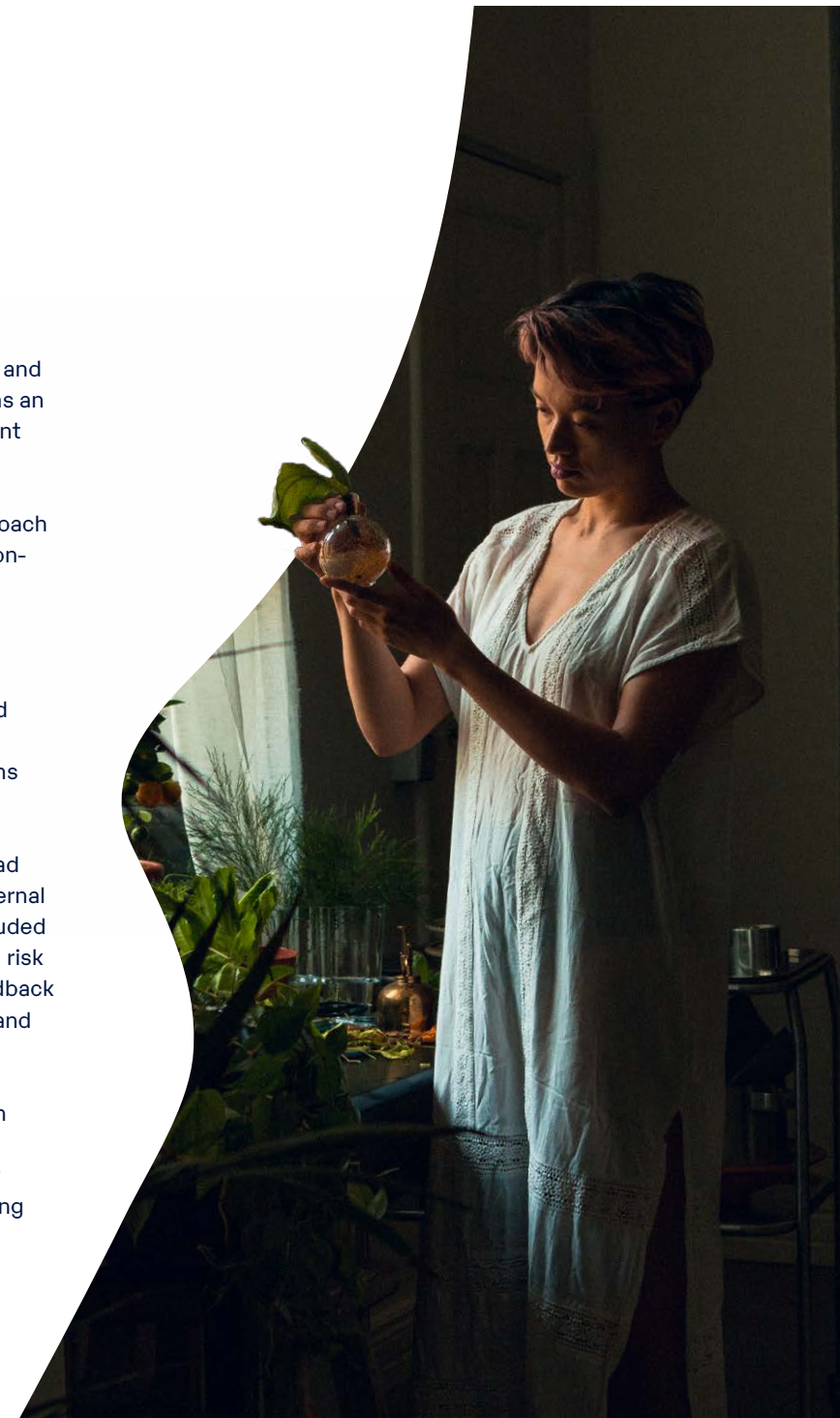
related risks are mainly seen as financial, compliance and reputational risks, but Fiskars Group also sees them as an operative risk. The main risks for us are the in compliant management of our suppliers and the inability to also cover their suppliers. Currently, we are managing the effectiveness of the human rights management approach by following our risk management and incidents of non-compliance.

Human rights assessment

In 2019, we finalized a human rights assessment and created an action plan for 2020 to close the gaps and develop a human rights due diligence. We have been evaluating our performance against the United Nations Guiding Principles on Business and Human Rights.

We had a cross-functional project team in place to lead the work and along the way we engaged with key internal stakeholders and leadership teams. Assessment included a review of our current policies and practices, several risk assessment workshops, as well as gathering the feedback from our stakeholders utilizing the employee survey and sustainability stakeholder survey conducted in 2018.

Key findings from the assessment were that although we have many good practices in place such as a whistleblower channel and a comprehensive Supplier Code of Conduct, we still have work to do in developing our policies and processes overall.



Based on the human rights assessment, we created an action plan to develop human rights due diligence.

We gained valuable information on how we could integrate human rights deeper into our risk management processes, covering both our operations and our value chain.

Action plan for the next years

Based on the human rights assessment, we created an action plan to develop human rights due diligence. Rather than creating a new separate process, our aim is to integrate human rights management deeper into our existing processes.

One of the first steps to implement our action plans was to update our policies to include a variety of human rights aspects more comprehensively. Community Engagement Policy and Recruitment Policy were updated during 2019. We also created a new Employment Policy covering all of our employees.

In 2019, we conducted human rights training to the human resources function and had a more deep-dive human rights discussion with the human resources leadership team. In 2020, we plan to conduct a self-assessment on local labor rights practices and utilize the results to develop our global processes.

We also identified that we have opportunities to develop risk management to better cover salient human rights aspects for us. We plan to integrate human rights to Fiskars Group risk management process, identifying that risks to people may differ from risks to business. Vulnerable groups relevant to us was one topic where we want to gain more understanding. We also identified the need to map Fiskars Group supply network beyond

finished goods suppliers and integrate the broader view into renewed risk management.

In 2020, we will pilot a human rights impact assessment in one location. Pilot will set a framework for our capability to understand different potential impacts on human rights and support our sites to mitigate possible negative impacts and benefit from the positive ones.

Ethics and Compliance Helpline

The Ethics and Compliance Helpline was introduced in 2018. The third party provided platform is a confidential and anonymous whistleblowing channel for all our employees to report any workplace-related issues and complaints or suspected violations of the Code of Conduct.

All suspected violations and occurrences of misconduct are handled confidentially by our Internal Audit and Legal and Compliance functions. Relevant other functions are engaged depending on the case, such as HR, to solve the issues. Report on the misconduct cases is provided to the Board's Audit Committee.

During 2019, we received in total five complaints or suspected violations through the Ethics and Compliance Helpline. The cases were related to termination of employment, information security, managerial challenge and dismissal. Two of the cases were investigated, resolved, and closed during 2019. Three of the cases are still under investigation or being followed up.

GRI Supplement

This section includes additional
GRI content and GRI index.



Sustainability governance

To ensure clear responsibilities and focus, Fiskars Group has a governance model on how sustainability is managed throughout the company.

THE BOARD OF DIRECTORS

conducts a comprehensive review of the sustainability approach and ambition once a year and has the ultimate oversight of sustainability: the ambition level and targets.

CEO AND FISKARS GROUP LEADERSHIP TEAM

oversees the execution of the strategic commitments and sets the ambition level. Owns the targets and is responsible for ensuring they contribute to strategic priorities while responding to global influences. Signs off the policies, sustainability reports, compliance and data. Part of the regular agenda of FGLT. SVP, Communications & Sustainability, reporting directly to the CEO, has the overall responsibility to drive sustainability agenda in the FGLT.

SUSTAINABILITY LEADERSHIP TEAM

is a cross-functional team reviewing our performance against our strategy and commitments. Defining targets and agreeing on action plans.

GROUP SUSTAINABILITY TEAM has a strategic oversight of sustainability across Fiskars Group operations – developing, coordinating and reporting sustainability related topics.

- Facilitates cross-functional approaches bringing together insights from business units and global functions, ensuring we work towards our targets.
- Proactive management of stakeholders' expectations, bringing insights and learnings into the business & top management.
- Integrating sustainability into our practices, communication, and policy implementation
- Reporting on progress both internally and externally to relevant stakeholders.

THE STRATEGIC BUSINESS UNITS AND GLOBAL FUNCTIONS are responsible for responding to sustainability targets in their business plans, operations and brands' purpose.



Sustainability management

The world around us is changing more rapidly than ever before, and we need to be ready to respond to the changes that come in the form of new disruptive technologies, changing demographics and climate change.

To be able to respond to these shifts and increase the business relevancy of sustainability, we saw an opportunity to integrate sustainability further into our strategy and set three long-term sustainability commitments to support the strategy and measuring of our performance.

We also renewed our targets, setting short-term targets for 2022 and long-term targets for 2030 to support our commitments.

The new integrated approach with the three commitments was built based on the concept created in 2018, utilizing feedback from a stakeholder survey conducted in 2018, content from the United Nations Sustainable Development Goals, global megatrends and our business strategy.

To benefit from internal insights, we also worked with teams across the company, from supply chain, Functional and Living businesses and HR, to validate the findings and ensuring our future focus and targets are ambitious, yet realistic, and ensuring they provide the necessary direction for our teams.

Materiality process

Engaging our diverse stakeholders is a priority for Fiskars Group and provides the company with insights to support our continuous development, and the delivery of our long-term targets. We believe a business cannot flourish if it is not able to meet the expectations of its stakeholders. Our stakeholders are entities or individuals that have a moderate impact on our business, or are affected by our activities, products and services, presenting both risks and opportunities.

In 2019, we integrated our sustainability approach to our Group strategy and utilized the feedback from our web-based stakeholder survey conducted in 2018. We received nearly 2000 responses from 42 countries, the

majority from our consumers and employees, and gained important insights into how we should develop our ways of working and what the key topics to work with should be.

Topics we identified most material for us are integrated in our three long-term commitments. These material topics were selected based on the stakeholder survey, global influences, the Group strategy and the UN Sustainable Development Goals.

The interpretation was carried out by leadership teams, representing different functions including supply chain, HR, risk management, and our businesses Functional and Living. Final approval was made by Fiskars Group Leadership Team and Board. Topics were evaluated based on their influence on stakeholder assessments and decisions, and on the significance of their economic, environmental and social impact.

Some of the high-level topics from the survey are listed on the next page of the stakeholder engagement table.

Stakeholder group	Engagement approach
Consumers	We continuously engage with our consumers through numerous touchpoints, including surveys, written communications, social media and discussions.
Customers	We work closely with our customers through dedicated account teams, joint initiatives and customer care.
Employees and potential employees	We engage with our employees through an annual employee survey, town halls, employee communications, individual development plans and a variety of Fiskars Group training sessions, as well as internal and external social media.
Suppliers and subcontractors	We engage with our suppliers through site visits, annual supplier days and our audit program.
Shareholders and investors	Annual General Meeting for our shareholders, quarterly reporting and webcasts, Capital Markets Day, investor meetings and presentations, ongoing dialogue with investors and analysts
Non-governmental organizations	Forms of engagement with NGOs include partnerships, memberships and ongoing dialogue
Media	We engage with media through specific media events, press releases, and connecting with media influencers, including bloggers.
Research institutes, universities and vocational schools	We actively collaborate with universities and institutes, for example, through our product development and with new business models.

Stakeholder expectations	Response
Strong commitment to sustainability from Group management and management as an enabler of concrete actions towards sustainable operations and innovations	In 2019, sustainability was integrated to our Group strategy and we launched new sustainability commitments and renewed targets to better support the strategy implementation. We believe this helps us to focus our efforts where they matter the most and also empower our management to enable concrete actions towards sustainability.
Set clear and bold goals that support Fiskars Group's strategic priorities	In 2019, sustainability was integrated to our Group strategy and we launched new sustainability commitments and renewed targets to better support the strategy implementation. Target work continues in 2020.
More communication on sustainability with stronger messages to inspire and engage people	One Fiskars Group strategy and integrated sustainability commitments support us in creating stronger messages when implementing the strategy and targets.
Prioritizing needed to focus on key topics that would make an impact	The sustainability assessment conducted in 2019 helped us to prioritize our sustainability topics to those that we wanted to integrate into our Group strategy.
Courage to experiment and trial new ideas	We believe that more integrated approach and governance planning in 2020 will support us to be bolder in new sustainability initiatives.
Clear governance model including allocated roles and responsibilities	A sustainability governance model was introduced in 2016, and it was implemented during 2017. The Sustainability Leadership Team gathered five times during the year.
Plastics in packaging and in products	We identified the need to clarify the sustainability governance to better support the more integrated approach and we will continue development during 2020. Plastics are part of the discussions around our circular economy commitment. We will look further into our approach in 2020. We already have some great achievements, for example, Gerber packaging renewal to reduce plastics in 2019.
Manufacturing location	Fiskars Group manufactures products in its own factories and together with partners. The manufacturing location and working conditions in factories were raised in the stakeholder survey. We aim to increase transparency further and communicate more of our responsible manufacturing and quality standards.

UN Sustainable Development Goals

As a part of the sustainability concept renewal in 2018, we initiated the work to integrate the United Nations Sustainable Development Goals (SDGs) into our updated sustainability concept. With the update to a more integrated approach in 2019, we re-evaluated the SDGs and ended up concluding that the ones chosen last year are still relevant for us.

These 17 SDGs were adopted by all UN Member States in 2015, as a part of the UN's 2030 Agenda for Sustainable Development.

We acknowledge that business cannot thrive in a world of poverty, inequality, unrest and environmental stress, so it is vital for us to ensure that we contribute to the SDGs that are relevant to us. During the SDG analysis, we noticed that we are already addressing issues included in the SDGs, but as these SDGs are also becoming of interest to our investors and other stakeholders, we wanted to invest in analyzing our positive and negative impact on the SDGs. During this process we were also able to identify new areas that could be business opportunities for us in the future.

The UN SDGs were further considered during 2019 when we conducted the renewal of our long-term sustainability targets. During 2018, we initiated work around the SDGs as part of our materiality process. When defining the material topics for us, the UN SDGs were considered part of the process.

In this report we have included the three SDGs that are most relevant to our three commitments.

Relevant SDGs for Fiskars Group

Our work with the SDGs started by analyzing the most relevant ones for our business. We used both external tools and materials published by the UN to dig deeper into each SDG and related sub-targets. The main tools and guidance used in the process were SDG Lens by DNV GL and SDG Compass developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development.

Through the SDG impact assessment, we identified three SDGs that were clearly relevant for us throughout the entire value chain, and with both a positive and negative impact. Two SDGs seemed to be applicable on some level, but we need to understand them better by mapping the potential positive and negative impact. There were also some SDGs that could be more relevant for our business in the future, depending on how our business evolves over time.

The first SDG that we identified as important for us is number 12, Responsible consumption and production. As a consumer goods company, we have a crucial impact on, and the capacity to, affect people's consumption habits. In general, producing and selling products could be seen as having a negative impact, but through our

sustainable production, the fact that our products can last for generations, and possibilities around a new sustainable service-based business model, our potential to influence is considerable.

We are already developing our environmental performance in terms of materials, substances of concern and waste management. There is still a lot to do and we could also expand our approach through a better understanding of different topics, such as the lifecycle of our products and the impact of sustainable service models. We will further integrate SDG number 12 into our action plans and targets during our target renewal in 2020.

The second material SDG is number 10, Reduced inequalities. Fiskars Group employs 6,984 employees and there is an even more significant number of people working in our value chain. For us, diversity and equal treatment of all people are top priorities. On the other hand, we also have a responsibility to reduce inequalities and without adequate action, we might have a negative impact on this goal.

The third SDG we have pinpointed is number 13, Climate change. Our current core business is to produce products and deliver them to our customers and consumers throughout our supply chain. In each link of the value chain, from raw material extraction to the end-of-life of our products, we have a negative impact on climate change



in the form of CO₂ emissions. That said, we have already worked to reduce our negative impact and through our lasting design and new business models around circular economy, we are able to achieve a further positive impact. All of these three SDGs were further integrated into our sustainability concept in 2019 when we renewed our long-term sustainability targets. We will look deeper into the potential of the two other SDGs that were identified as possibly being relevant to us. We believe that choosing pertinent SDGs and integrating them into the sustainability concept, targets, and action plans will support our work and help us to better communicate our focus areas.

FISKARS GROUP IMPACT ON SDGS



Negative

Positive

Through the SDG impact assessment, we identified three SDGs that were clearly relevant for us throughout the entire value chain with both positive and negative impacts.

Economic performance

ECONOMIC PERFORMANCE

GRI 201-1 Direct economic value generated and distributed, EUR million

	2019	2018
Customers		
Sales	1,090	1,119
Suppliers		
Operating costs	696	699
Employees		
Wages and benefits	312	308
Public sector		
Corporate income taxes	18	27
Shareholders		
Payments to providers of capital*	51	60
Creditors		
Interest	5	3
Communities		
Sponsorship and donations	0.5	0.4
Economic Value retained	8	22

*In addition, Fiskars distributed an extra share dividend in the form of shares in Wärtsilä Corporation held by the company. The total value of the share dividend amounted to EUR 433 million.

TAXES

Fiskars Group disclosure: Income taxes paid, top 5 largest countries

In 2019, top five largest countries where Fiskars Group paid income taxes were Denmark, U.S, Sweden, Indonesia and Finland. Income taxes paid to these countries were in total EUR 15 million (2018: EUR 21 million).

Information reported in Disclosure 201-1 and in Fiskars Group disclosure is based on audited financial data.

Tax strategy

The Fiskars Group tax strategy is based on our aim to be responsible corporate citizens in the communities where we operate, and to fulfill our responsibilities towards shareholders, employees, customers and suppliers.

The core of our tax strategy is to pay the right amount of tax at the right time to the right tax authorities, respecting all the applicable tax laws of the countries where we operate.

The Fiskars Group Tax team works closely with the businesses to identify and manage business and technical tax risks to create a sustainable yet business feasible platform for operations. The tax team is involved in business changes already in the planning phase to ensure the alignment and appropriate compliance of tax rules and regulations.

All business planning at Fiskars Group is based on business needs. Our tax planning is aligned with our business models. We consider tax implications as part of the decision-making process and ensure that transactions

and structures are treated based on their commercial substance. Our business, investment and location planning are primarily driven by commercial needs. We may utilize available tax incentives when they are aligned with our business and operational objectives.

Our transfer pricing principle is to apply arm's length transfer prices to intra-group transactions to reflect where value is created in the Group, and which jurisdiction has the right to tax the profits.

We foster relationships with tax authorities based on mutual transparency and trust in all the jurisdictions where we operate. We may seek advice or advance rulings in situations subject to interpretation and apply judgment based on facts.

To operate efficiently and to manage risks, we employ tax professionals, both internal and external, to manage our compliance obligations. Our aim is to set up systems, processes and controls to ensure efficiency of our compliance functions.

Tax legislation and compliance requirements are subject to constant change in our operating environment. Fiskars Group's team monitors changes in tax legislation and regularly review tax affairs and risk management procedures to ensure that Fiskars Group can identify, assess and mitigate tax risk.

As part of protecting shareholder value, we act with integrity in all tax matters and accurately report the Group's tax position to our shareholders and other stakeholders.

Sustainable business practices

Our vision is to have a lasting, positive impact on our quality of life. To drive towards our vision, we follow certain ways of working and focus on operating in a unified way throughout our global operations.

Code of Conduct

The Fiskars Group Code of Conduct lays out the expectations and guiding principles for appropriate workplace behavior, helping all employees understand how to do business in an ethical, safe, sustainable and transparent manner. At Fiskars Group, the Code of Conduct is the primary everyday tool, providing guidance on a variety of topics we consider important for our business, which we have complemented with other policies and globally acknowledged guidelines and principles.

To make sure everyone at Fiskars Group knows how to operate in their day-to-day work and deepen their knowledge on important matters such as health and safety, data protection, and anti-bribery and corruption, we organize mandatory training sessions for all

employees. Every second year, we train all our employees and in the year between, all new employees. In 2019, we updated the Code of Conduct training which will be implemented to all employees at the beginning of 2020.

Supplier Code of Conduct

The Fiskars Group production strategy is based on combining our own manufacturing operations with those of our selected suppliers. Our goal is to build a strong supplier network that can satisfy our business needs and meet our corporate values and expectations regarding social and environmental requirements.

The Fiskars Group Supplier Code of Conduct (SCOC) outlines the non-negotiable minimum standards Fiskars Group requires all of its suppliers to comply with when doing business with the company, illustrating the values and principles that are core to Fiskars Group operations worldwide.

Topics covered in the SCOC include important topics such as health and safety, environmental protection, and human and labor rights.

It also describes Fiskars Group's commitment to international conventions such as the United Nations Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises and the 10 principles of the UN Global Compact.



External initiatives and memberships

We honor and promote universal human rights and equal opportunities in everything we do. To demonstrate our commitment, Fiskars Group joined the UNGC, the world's largest corporate sustainability initiative, in 2016.

Fiskars Group also actively participates in the local UNGC network in Finland.

International standards and guidelines create an important foundation for Fiskars Group's quality, environment, health and safety (QEHS) management. Our manufacturing units, distribution centers and our suppliers use the quality management standard ISO 9001, environmental management standard ISO 14001 and health and safety standard OHSAS 18001.

Currently, 80% (2018: 88%) of our manufacturing units are ISO 9001 certified and 80% (81%) of them are ISO 14001 and OHSAS 18001 certified. The certifications will be expanded to cover more of our manufacturing units and distribution centers in 2020. The figures are slightly lower compared to last year since one certified manufacturing unit has been removed due to the divestment of the Leborgne business during 2019.

Fiskars Group's main memberships in industrial organizations and in national or international advocacy organizations during 2019

- FSC Finland
- Climate Leadership Coalition
- International Chamber of Commerce (ICC)
- Federation of Finnish Technology Industries
- The Finnish Society of Crafts and Design
- The Chemical Industry Federation of Finland
- The Finnish Risk Management Association
- FIBS - Corporate Responsibility Network
- Global Compact Finland Network
- Outdoor Industry Association
- Association of the Museum of Technology
- Taxpayers Association of Finland
- Horticultural Trades Association
- International Trademark Association
- Finnish Quality Association

Responsible supplier management

In today's world, the consumer is more conscious than ever before of the impact of their purchasing habits. People want to trust companies to operate in a sustainable and ethical manner.

Fiskars Group is building a strong supplier network that can meet our business needs, as well as our corporate values and expectations regarding social and environmental requirements.

We use a variety of raw materials, components and services to create our extraordinary products and bring them to consumers. We utilize a balance of our own, as well as external manufacturing for finished goods. Carefully managing the sourcing and purchasing is incredibly important in building a sustainable business.

Fiskars Group sources finished goods from suppliers located in Europe, North America and Asia, and the biggest sourcing countries are China, Thailand and Vietnam. During 2019, we audited 37% (2018: 44%) of all active finished goods suppliers under global sourcing.

Fiskars Group policies related to sustainable sourcing

Fiskars Group Supplier Code of Conduct (SCOC) outlines the non-negotiable minimum standards Fiskars Group requires all its suppliers to comply with when doing business with us, illustrating the values and principles that are core to Fiskars Group's global operations. The SCOC covers important topics such as health and safety, environmental protection, and human and labor rights.

Fiskars Group's sourcing organization and other people dealing with external suppliers are guided by the new Sourcing and Purchasing policy created in 2018. It is an important guideline for all employees in managing indirect spend and for buying goods and services. The policy has been put into place to ensure that Fiskars follows a professional, controlled and sustainable sourcing and purchasing process, for services and materials provided by external suppliers. In short, it lists the do's and don'ts of external spend.

Supplier sustainability audit program

Fiskars Group established a supplier audit program as early as 2011, and it has been continuously developed since then. The decision to conduct an on-site audit is based on a risk assessment that takes into consideration the country risk, the size of the business and the industry. All suppliers in risk countries are audited on-site by Fiskars. Fiskars Group has a professional team of four auditors that perform audits in the Far East and Southeast Asia. In addition, we use third party audit services to complement our own audits when needed.

An audit consists of document reviews, factory tours, and workers' interviews. Questions are divided into three levels of significance (zero tolerance, normal, advanced) and results are expressed as a percentage score.

In 2019, we conducted audits at 52 (2018: 66) finished goods suppliers. Since the beginning of the Fiskars Group Auditing Program in 2011, we have conducted approximately 550 on-site supplier audits and closed over 160 zero tolerance cases. We further extended our supplier risk assessment to cover second-tier suppliers in 2017.

SUPPLIER SOCIAL ASSESSMENT

GRI 414-1 New suppliers that were screened using social criteria

	2019	2018
	100%	100%

Fiskars Group had six new finished goods suppliers in 2019. We conducted sustainability audit based on Supplier Code of Conduct to all of them.

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 308-1 New suppliers that were screened using environmental criteria

	2019	2018
	100%	100%

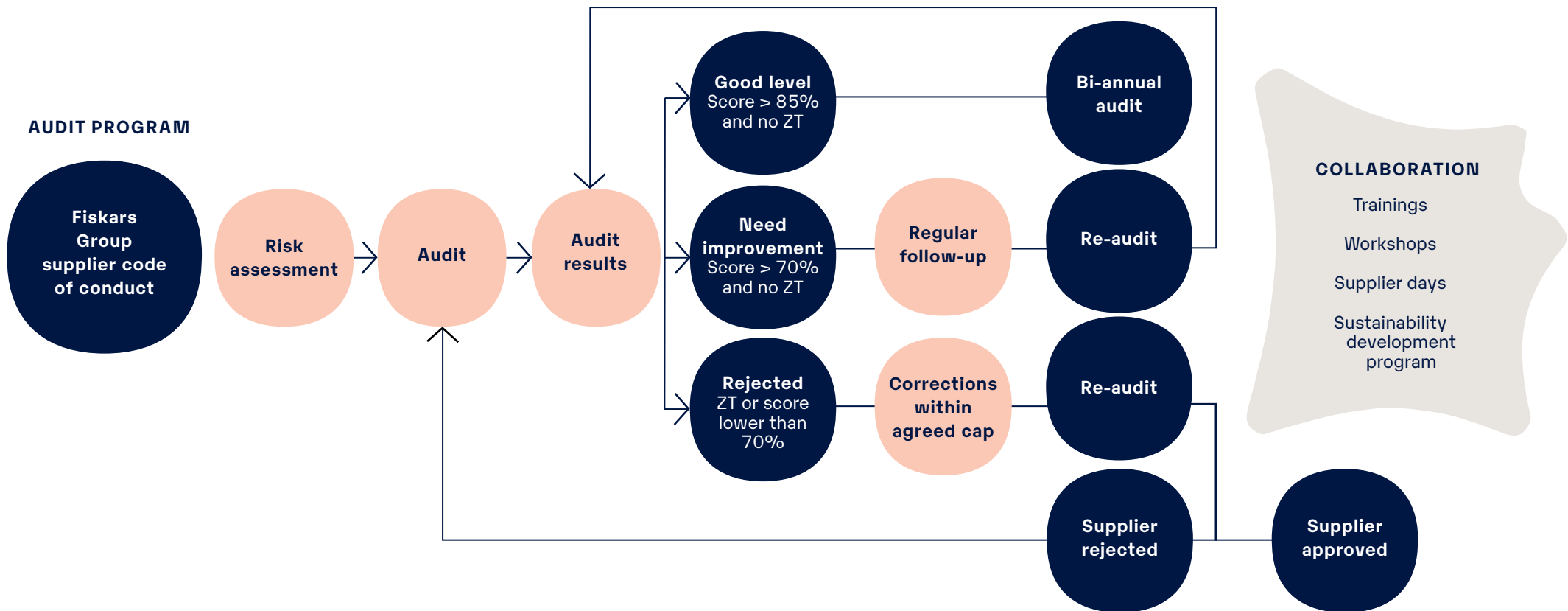
Fiskars Group had six new finished goods suppliers in 2019. We conducted sustainability audit based on Supplier Code of Conduct to all of them.

SUPPLIER SUSTAINABILITY AUDITS

Fiskars disclosure: Average audit result

	2019	2018
	79%	80%

Responsible supplier management



ZT = Zero tolerance findings

Developing the reporting

Our suppliers' operations and workers have an important role in helping to create our extraordinary products and it is crucial for us to ensure and support our suppliers in conducting business sustainably.

To support our key suppliers in their efforts to be efficient in terms of energy and materials, manage waste sustainably and reduce CO₂ emissions, we started to gather related data from our key strategic finished goods suppliers. We received data from 21 suppliers, covering over 60% of the finished goods sourcing spend.

The reporting template for our suppliers is based on the same system we also use internally. Some of our suppliers have their own dedicated reporting systems that have already proven to be reliable, while some need further support in developing their reporting. Our work continues and in 2020 we plan to support our suppliers regarding setting the targets and developing the reporting further.



Biodiversity

Biodiversity is a fairly new topic for us as we began to explore it in further detail in 2018. Biodiversity refers to the variability of life as well as the different species on earth. We participated in biodiversity training organized by Finnish Business and Society, FIBS. Based on the training, we conducted a preliminary assessment of the biodiversity risks and opportunities for Fiskars Group.

In our assessment, we defined what kind of ecosystem services we use and how we can impact them. For example, in production services we use raw materials and energy which we can impact through raw material selection and energy efficiency. In 2019, biodiversity was included in our new sustainability commitments and target planning. Our target is to deepen our understanding between our business and biodiversity and further map the ecosystem services relevant for us.

CASE

Fiskars Group's forests

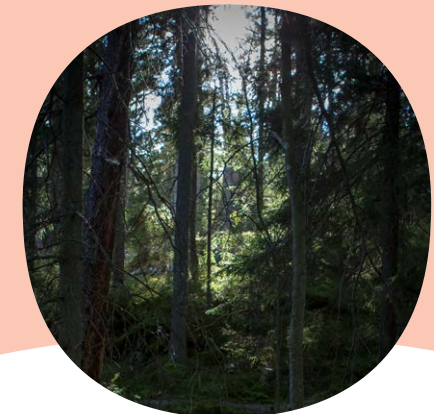
Fiskars Group owns around 14,000 hectares sustainably managed FSC™-certified (FSC C109750) and PEFC™-certified (PEFC / 02-21-18) forests around the area of our Fiskars Village in Finland. Both FSC and PEFC certification systems promote the responsible and sustainable management of the world's forests.

Forests are an important resource. Wood from sustainably grown trees is renewable and recyclable and the primary element in thousands of products we use every day. Sustainable forest management is important for us and helps us to maintain our forestland for centuries to come.

In 2019 we conducted an assessment with Natural Resources Institute Finland to assess what is the carbon stock for our forests at the moment and what is the annual carbon sequestration ability of our forests. Forest carbon stock describes the amount of carbon that has been sequestered from the atmosphere and is now stored within the forest ecosystem, mainly within living biomass and soil.

According to the results the current carbon stock of the trees is 2,2 million t CO₂ equivalent. If the carbon stock of the other biomass and soils is added the combined carbon stock is 5,7 million t CO₂ equivalent. Carbon sequestration was assessed in the 20 years period and it is estimated to increase within that period. Current annual carbon sink of the forest is 17,000 t CO₂ equivalent.

Carbon stock in our forests is significant. The results emphasize the importance of sustainable forest management and protection of the forest biodiversity, enabling the development of the carbon stock in the future.



Product quality

Ensuring the high quality of our products and services is our top priority. The voice of the customer is crucial in capturing the needs and expectations of consumers. We utilize customer and consumer feedback systematically and work hard to ensure that we continue to be a trusted partner to our customers and consumers. We also see to it that our products and services meet the requirements on durability, functionality, safety and aesthetic quality.

A deep commitment to quality is vital to our heritage and core to our purpose of making the everyday extraordinary. The Fiskars Group Quality Policy defines our approach and provides a common framework for the quality management and communications of quality practices. We execute this policy in our everyday work, supported by our strategy and organizational structure. Our commitment to quality is implemented through our management systems and we are all responsible for integrating quality as part of our work. The Quality Policy was published in 2017 covering Fiskars Group Supply Chain. Our aim is to do everything right the first time.

Everyone is responsible for ensuring that quality is embedded in all our processes. New products and changes to products or processes are designed using advanced quality planning tools and tested to exceed even the highest expectations of our consumers. We continually improve our products and processes to support our quality promise and efficiency. Roles and

responsibilities, KPIs and targets are clearly defined for all processes, and they are monitored on an ongoing basis, and always aiming towards improvement. Training and coaching are considered important for implementing efficient processes.

We set annual objectives to improve our quality performance and continually track the development through our management systems. We actively review risks and their controls in an effort to continuously improve quality standards in light of new technologies, legislation and best practices. The effectiveness of our product quality management approach is evaluated against how we are performing in relation to our targets and based on incidents of non-compliance. Our quality management approach is continuously developed based on consumer feedback and insights.

Our product development process focuses on the consumer. We rely on innovative technologies and thorough testing to meet and exceed their expectations. Our product developers invest time in using the products as they are meant to be used, and this includes everything from cooking to crafting to learning the skills for which we design tools. We also have several professionals from gardeners to chefs to test the products. We do this to better understand how to improve the products and make them more efficient, more intuitive to use and more enjoyable.

CUSTOMER HEALTH AND SAFETY

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

	2019	2018
Incidents of non-compliance with regulations resulting in a fine or penalty	2	1
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary codes	0	0

In 2019 there were two incidents of non-compliance with regulations resulting in a fine or penalty. Both cases were related to Prop 65 requirements and phthalates found in PVC. The materials were corrected to compliant PVC material.

MARKETING AND LABELING

GRI 417-2 Incidents of non-compliance concerning marketing communications

	2019	2018
Incidents of non-compliance with regulations resulting in a fine or penalty	0	1
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary codes	0	0

No incidents of non-compliance concerning marketing communications in 2019.

Employee data

Fiskars Group's Human Resources organization is responsible for collecting, maintaining and reporting employee data. The company's global HR system contains versatile and comparable HR data globally. Harmonized global HR reporting principles and a systematic data validation process form the basis for data quality for our personnel related reporting. The employee data reported in the sustainability reporting for 2019 includes active Fiskars Group employees. Inactive employees on leave of absence (e.g. study leave, long-term sick leave, parental leave) are not included in the published data. The number of inactive employees amounts less than 3% of the total number of employees.

Employees covered by collective bargaining agreements (GRI 102-41)

Fiskars Group supports its employees' right to freedom of association and collective bargaining. Overall, 56% of Fiskars Group employees are covered by collective bargaining agreements. Participation in collective bargaining agreements varies significantly between regions, with the participation rates as Europe (84%), North Americas (24%) and Asia-Pacific (28%).

INFORMATION ABOUT EMPLOYEES (GRI 102-8)

Number of employees by employment contract and gender

	Regular	Fixed Term	Total
Female	3,363 (3,567)	470 (513)	3,833 (4,080)
Male	3,043 (3,377)	108 (158)	3,151 (3,535)
Total	6,404 (6,944)	578 (671)	6,984 (7,615)

Number of employees by employment contract and region

	Regular	Fixed Term	Total
Europe	3,381 (3,565)	214 (373)	3,595 (3,938)
Americas	1,021 (1,070)	7 (11)	1,028 (1,081)
Asia-Pacific	2,004 (2,309)	357 (287)	2,361 (2,596)
Total	6,404 (6,944)	578 (671)	6,984 (7,615)

Number of employees by employment type and gender

	Full-time	Part-time	Total
Female	3,008 (3,183)	825 (897)	3,833 (4,080)
Male	3,023 (3,405)	128 (130)	3,151 (3,535)
Total	6,031 (6,588)	953 (1027)	6,984 (7,615)

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (GRI401-1)

Total number and rate of new employee hires by age group

By age group	New hires	New hire rate, %
Under 30	565 (378)	47.4 (43.4)
30–50	506 (394)	42.4 (45.2)
Over 50	122 (99)	10.2 (11.4)
Total	1,193 (871)	100.0 (100.0)

By gender	New hires	New hire rate, %
Female	791 (542)	66.3 (62.2)
Male	402 (329)	33.7 (37.8)
Total	1,193 (871)	100.0 (100.0)

By region	New hires	New hire rate, %
Europe	679 (560)	56.9 (64.3)
Americas	202 (138)	16.9 (15.8)
Asia-Pacific	312 (173)	26.2 (19.9)
Total	1,193 (871)	100.0 (100.0)

New hires calculation: (new hires per category/total number of new hires in 2019) *100. Due to change in reporting logic comparison numbers for 2018 have been updated.

TOTAL NUMBER OF LEAVERS AND TURNOVER RATE BY AGE GROUP

Number of employees by employment contract and gender

By age group	Number of leavers	Turnover rate, %
Under 30	363 (281)	31.4 (22.0)
30–50	717 (352)	17.3 (8.0)
Over 50	401 (124)	23.7 (6.0)
Total turnover	1,481 (757)	21.2 (10.0)

By gender	Number of leavers	Turnover rate, %
Female	805 (477)	21.0 (12.0)
Male	676 (280)	21.5 (8.0)
Total turnover	1,481 (757)	21.2 (10.0)

By region	Number of leavers	Turnover rate, %
Europe	717 (399)	19.9 (10.0)
Americas	237 (143)	23.1 (13.0)
Asia-Pacific	527 (215)	22.3 (8.0)
Total turnover	1,481 (757)	21.2 (10.0)

Turnover rate calculation: (number of leavers/total number of employees per category as of December 31, 2019) *100. Total turnover includes voluntary and involuntary leavers as well as retirements.

Learning and development

We at Fiskars Group inspire and empower our employees to learn, and to build their own competences and careers. We promote a growth mindset and provide our employees with tools and opportunities to build their careers in a constantly changing world.

We believe in promoting internal talent, learning on the job and networks with peers, accompanied by formal learning opportunities. For each learning method, Fiskars Group has developed several initiatives to enable learning; apprentice programs, courses, coaching and a mentoring program.

The Fiskars Group's learning philosophy is based on the 70-20-10 principle, which means that 70% of learning happens on the job, 20% when learning together with others, and only 10% of learning comes from courses or other formal studies.

We follow the country specific legal requirements and practices regarding the management of career endings. In situations that have a significant impact on individuals and local communities, we take steps to provide additional support, for example in the form of outplacement training and individual skill development.

Learning on the job

Learning starts from everyone's everyday work. We must continuously seek ways to perform our jobs better to respond to changing demands and challenges.

Acknowledging this is the first step—after that it is up to everyone to take the lead and drive their own development. We believe learning can be about taking small steps out of one's comfort zone through a new project or task, or it can be about questioning the status quo and improving ways of working with a new perspective. It is about trying out ideas, failing fast and learning fast, and embracing the risk of mistakes.

Fiskars Group supports on-the-job learning with several global programs. We have apprentice programs to help our experts transfer their skills and knowledge to new people eager to learn a new profession.

Our talented people working in craftsmanship are a great example of the benefits of learning on the job. We have apprentice programs in Finland, UK, Ireland, and Slovenia to help us maintain, develop and transfer special skills our craftspeople have learned over the years, such as unique techniques related to glass blowing, engraving and painting.

Becoming a glass master, for instance, is a journey that requires a strong will and perseverance. The quality of handmade glass is in the details, such as the thickness or weight of the glass; and getting this right requires experience and an extraordinary understanding of the material and how it behaves. It takes years of training and practice to get to a level where one can confidently reach our quality standards with every product that is made.

Fiskars Group empowers its employees with opportunities to rotate to other business functions, tasks or locations. In 2019, two Master Glass Blower from our Iittala glass factory in Finland relocated to our Rogaška crystal factory in Slovenia for a short-term rotation. The two-week rotation gave the Iittala Master Blowers the chance to bring some practical improvements to their home factory and share some new ideas with both teams at Iittala and Rogaška.

Learning from each other

Whether in a formal or casual setting, we all accumulate a lot of knowledge and build our perspectives throughout our working lives. At Fiskars Group, we believe that skills and competences learned from other people are by nature richer than information learned from textbooks.

To help people find ways to learn from one another, Fiskars Group invests in many learning opportunities, such as a mentoring program that pairs junior and senior employees, Leader360 feedback and evaluation, and team development activities.

Mentoring, in particular, has been very popular, and in 2019 there were around 40 pairs working with many topics, from ceramic production to career development. Mentoring has enabled our employees to take new perspectives and understand their own work as a part of a bigger entity. It has helped many mentees to see where their next career steps could be and how they can grow within Fiskars Group.

Learning by studying

Fiskars Group has a global learning development platform and it has been designed to support Fiskars Group's business objectives. We have several online learning opportunities that can be completed anywhere, anytime. Some of our training is mandatory for all our employees, such as learning the Fiskars Group Code of Conduct.

We offer several targeted deep dive training sessions to inspire and develop our people. For example, Leadership Core training is about values-based leadership and it is built on a simple belief: if you are going to lead others, you first need to lead yourself.

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

Fiskars Group carries out a documented performance management process which consists of goal setting, mid-year and year-end reviews, as well as a development plan for its office employees. The performance management process is optional for retail and operative employees.

GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

By employee category	Female, %	Male, %	Total, %
Office	98.8	98.1	98.5 (97.0)
Operative	3.6	2.9	3.2 (3.0)
Retail	5.5	5.9	5.5 (5.0)
Total	34.0 (32.0)	36.2 (32.0)	35.0 (32.0)

New hires who joined after 1.10.2019 are not part 2019 performance management process.

GRI Content Index

GRI 102: General Disclosures 2016

1. ORGANIZATIONAL PROFILE

General Disclosures		Page number / additional information	Omissions	UNGC Cross-Reference
102-1	Name of the organization	Fiskars Corporation		
102-2	Activities, brands, products, and services	www.fiskarsgroup.com/about-us		
102-3	Location of headquarters	Helsinki, Finland		
102-4	Location of operations	www.fiskarsgroup.com/contacts		
102-5	Ownership and legal form	Fiskars Corporation is a public company and its shares are listed in Nasdaq Helsinki		
102-6	Markets served	www.fiskarsgroup.com/about-us		
102-7	Scale of the organization	www.fiskarsgroup.com/about-us		
102-8	Information on employees and other workers	p. 50	Fiskars Group does not collect information about workers not categorized as employees in global HR reporting. The amount of workers not categorized as employees is considered non-significant. Fiskars Group has no significant seasonal variations in the employee data. Data has been collected through global HR system.	Principle 6
102-9	Supply chain	p. 44		
102-10	Significant changes to the organization and its supply chain	No significant changes		
102-11	Precautionary Principle or approach	Fiskars Group has a risk management process in place to manage risks, to avoid any adverse impacts to the environment, and to ensure continuity of its operations. www.fiskarsgroup.com/investors/corporate-governance/risk-management		
102-12	External initiatives	p. 43		
102-13	Membership of associations	p. 43		

2. Strategy

General Disclosures		Page number / additional information	UNGC Cross-Reference
102-14	Statement from senior-decision-maker	p. 6	

3. Ethics and integrity

General Disclosures		Page number / additional information	UNGC Cross-Reference
102-16	Values, principles, standards, and norms of behavior	p. 7-10	

4. Governance

General Disclosures		Page number / additional information	UNGC Cross-Reference
102-18	Governance structure	www.fiskarsgroup.com/investors/corporate-governance/board-directors	

5. Stakeholder engagement

General Disclosures		Page number / additional information	UNGC Cross-Reference
102-40	List of stakeholder groups	p. 38	
102-41	Collective bargaining agreements	p. 50	Principle 3
102-42	Identifying and selecting stakeholders	p. 37	
102-43	Approach to stakeholder engagement	p. 37	
102-44	Key topics and concerns raised	p. 10, 37-38	

6. Reporting practice

General Disclosures		Page number / additional information	UNGC Cross-Reference
102-45	Entities included in the organization's consolidated financial statements	All Group companies are included in the reporting	
102-46	Defining report content and topic boundaries	p. 10	
102-47	List of material topics	p. 10	
102-48	Restatements of information	No restatements	
102-49	Changes in reporting	No changes in reporting	
102-50	Reporting period	January 1, 2019–December 31, 2019	
102-51	Date of the most recent report	Fiskars Group's Sustainability Report 2018 was published in February 2019	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	sustainability@fiskars.com	
102-54	Claims of reporting in accordance with the GRI Standards	p. 3	
102-55	GRI content index	p. 54	
102-56	External assurance	p. 62	

Topic-specific Standards

GRI 201: ECONOMIC: 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundaries	p. 41 www.fiskarsgroup.com/ investors/fiskars-investment		
	103-2	The management approach and its components	p. 41		
	103-3	Evaluation of the management approach	p. 41		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	p. 41		

GRI 302: ENERGY 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundaries	p. 19–22		
	103-2	The management approach and its components	p. 19–22		
	103-3	Evaluation of the management approach	p. 19–22		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	p. 21–22		Principle 7
	302-4	Reduction of energy consumption	p. 22		Principle 7
	302-3	Energy intensity	p. 22		Principle 9

GRI 303: WATER 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundaries	p. 19–22		
	103-2	The management approach and its components	p. 19–22		
	103-3	Evaluation of the management approach	p. 19–22		
GRI 203: Water 2016	303-1	Water withdrawal by source	p. 22		

GRI 305: EMISSIONS 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 19–23		
	103-2	The management approach and its components	p. 19–23		
	103-3	Evaluation of the management approach	p. 19–23		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p. 24		
	305-2	Energy indirect (Scope 2) GHG emissions	p. 24		
	305-3	Other indirect (Scope 3) GHG emissions	p. 24		
	305-4	GHG emissions intensity	p. 24		
	305-5	Reduction of GHG emissions	p. 24		

GRI 306: EFFLUENTS AND WASTE 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 16		
	103-2	The management approach and its components	p. 16		
	103-3	Evaluation of the management approach	p. 16		
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	p. 16		
	306-3	Significant spills	p. 16		

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 44–47		
	103-2	The management approach and its components	p. 44–47		
	103-3	Evaluation of the management approach	p. 44–47		
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	p. 45		

GRI 401: EMPLOYMENT 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 50–51		
	103-2	The management approach and its components	p. 50–51		
	103-3	Evaluation of the management approach	p. 50–51		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p. 51		

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 27		
	103-2	The management approach and its components	p. 27		
	103-3	Evaluation of the management approach	p. 27		
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 28–29	Fiskars Group does not collect safety indicators by gender. Reporting by gender is seen as insignificant to our business	

GRI 404: TRAINING AND EDUCATION 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 52–53		
	103-2	The management approach and its components	p. 52–53		
	103-3	Evaluation of the management approach	p. 52–53		
GRI 404: Training and education 2016	404-2	Learning programs	p. 52–53		
	404-3	Percentage of employees receiving regular performance and career development reviews	p. 52–53		

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 30–31		
	103-2	The management approach and its components	p. 30–31		
	103-3	Evaluation of the management approach	p. 30–31		
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	p. 31		
	Fiskars Group topic	Enablement and engagement in employee survey by gender	p. 31		

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 44–47		
	103-2	The management approach and its components	p. 44–47		
	103-3	Evaluation of the management approach	p. 44–47		
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	p. 45		

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 49		
	103-2	The management approach and its components	p. 49		
	103-3	Evaluation of the management approach	p. 49		
GRI 416: Customer health and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 49		

GRI 417: MARKETING AND LABELING 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 49		
	103-2	The management approach and its components	p. 49		
	103-3	Evaluation of the management approach	p. 49		
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	p. 49		

GRI 417: MARKETING AND LABELING 2016

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 49		
	103-2	The management approach and its components	p. 49		
	103-3	Evaluation of the management approach	p. 49		
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	p. 49		

FISKARS GROUP TOPIC: SUPPLIER SUSTAINABILITY AUDITS

	Disclosure	Disclosure description	Page	Omission	UNGC Cross-Reference
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	p. 44-45		
	103-2	The management approach and its components	p. 44-45		
	103-3	Evaluation of the management approach	p. 44-45		
Supplier sustainability audits	Fiskars Group topic	Average audit result	p. 44-45		

Independent Practitioner's Assurance Report

TO THE MANAGEMENT OF FISKARS CORPORATION

We have been engaged by the Management of Fiskars Corporation (hereinafter also the Company) to perform a limited assurance engagement on selected sustainability disclosures for the reporting period 1 January to 31 December 2019, disclosed in Fiskars Corporation's Sustainability Report 2019. In terms of the Company's GRI Standards reporting and GRI Standards Content Index, the scope of the assurance has covered economic, social and environmental sustainability disclosures listed within the Topic-Specific Disclosures as well as General Disclosures 102-8 and 102-41 (hereinafter Sustainability Information).

Management's responsibility

The Management of Fiskars Corporation is responsible for preparing the Sustainability Information in accordance with the Reporting criteria as set out in the Company's reporting instructions and the GRI Sustainability Reporting Standards of the Global Reporting Initiative. The Management of Fiskars Corporation is also responsible for such internal control as the management determines is necessary to enable the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Fiskars Corporation for our work, for this report, or for the conclusions that we have reached.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". That standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Sustainability Information. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Sustainability Information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as one site in Finland.
- Conducting two video interviews with sites in Ireland and in the United States of America.
- Interviewing employees responsible for collecting and reporting the Sustainability Information at the Group level and at the site level where our site visit and video interview were conducted.
- Assessing how Group employees apply the Company's reporting instructions and procedures.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Fiskars Corporation's Sustainability Information for the reporting period ended 31 December 2019 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Helsinki, 14 February 2020

PricewaterhouseCoopers Oy

Sirpa Juutinen

Partner
Sustainability & Climate Change

Jussi Nokkala

Director
Sustainability & Climate Change

FISKARS



GROUP

Making the everyday extraordinary

Fiskars Group's vision is to create a positive, lasting impact on our quality of life. Our brands Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood are present in people's everyday lives – at home, in the garden, and outdoors. This gives us an opportunity to make the everyday extraordinary today, and for future generations.

We employ approximately 7,000 people in 30 countries, and our products are available in more than 100 countries. Our shares are listed on the Nasdaq Helsinki (FSKRS).

Please visit us at www.fiskarsgroup.com for more information and follow us on Twitter, @fiskarsgroup